

UNITED STATES OF AMERICA	:	Crim. No. 05-718 (AET)
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	:	
v.	:	18 U.S.C. §§ 371, 666(a)(2),
	:	1341, 1346, & 2
	:	
ANTHONY SPALLIERO and	:	
JOSEPH SPALLIERO	:	<u>SUPERSEDING INDICTMENT</u>

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

COUNTS 1 & 2
(Offering and Giving Corrupt Payments)

1. At all times relevant to this Indictment:

a. Defendant ANTHONY SPALLIERO was a resident of Holmdel, New Jersey, and was in the business of developing land for residential and commercial purposes. Defendant ANTHONY SPALLIERO also maintained a financial interest in several nightclubs featuring exotic dancing, including Heartbreakers North (North Brunswick), Heartbreakers South (Neptune), and Bourbon Street (Sayreville);

b. Defendant JOSEPH SPALLIERO was a resident of Holmdel, New Jersey, and the son of defendant ANTHONY SPALLIERO. Defendant JOSEPH SPALLIERO maintained a financial interest in several nightclubs featuring exotic dancing, including Heartbreakers North, Heartbreakers South, and Bourbon Street;

c. Marlboro Township was a municipal corporation located in Monmouth County, New Jersey, and was an organization

that received federal assistance in excess of \$10,000 per year;

d. The Marlboro Township Planning Board ("Planning Board") was composed of nine members, including the Mayor, a member of the Marlboro Township Council, and seven other officials, all of whom the Mayor appointed. The Planning Board was responsible for reviewing and determining whether to approve any and all land-use development within Marlboro Township, including but not limited to subdivisions, site plans, and planned-development applications; and

e. Matthew V. Scannapieco was the Mayor of Marlboro Township. As Mayor, Scannapieco was also a voting member of the Planning Board.

2. In or about 2001 and 2002, defendant ANTHONY SPALLIERO had a financial interest in the potential development of the site of the Marlboro Airport. Defendant ANTHONY SPALLIERO's interest included options to purchase the Marlboro Airport property, which consisted of approximately fifty-one acres, and approximately one hundred acres of property surrounding the airport (collectively, the "airport property"). The value of redeveloping the airport property in order to construct residential units well exceeded \$4,000,000.

3. Developing the airport property to build residential housing required the approval of both the Planning Board and Township Council. On or about January 18, 2002, defendant

ANTHONY SPALLIERO and others submitted to the Planning Board, Mayor, and Township Council a proposal to close the Marlboro Airport and to rezone that property in order to construct age-restricted residential units on the fifty-one-acre site. On or about May 31, 2002, defendant ANTHONY SPALLIERO and others submitted to Mayor Matthew V. Scannapieco and the Township Council a similar proposal to close the Marlboro Airport and to rezone the airport property for the construction of age-restricted residential units.

4. Between in or about late 2001 and early 2002, defendant ANTHONY SPALLIERO offered to give Mayor Matthew V. Scannapieco approximately \$100,000 in exchange for Scannapieco's support, as Mayor and a member of the Planning Board, of defendant ANTHONY SPALLIERO's efforts to develop residential units on the airport property.

5. Between in or about late 2001 and early 2002, defendant ANTHONY SPALLIERO gave Scannapieco approximately \$40,000 in cash as partial payment of the \$100,000. Over the course of several cash payments made in or about 2002 and 2003, defendant ANTHONY SPALLIERO gave the remaining approximately \$60,000 to Scannapieco.

6. Between the dates set forth below, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

ANTHONY SPALLIERO

did knowingly, willfully, and corruptly give, offer, and agree to give Mayor Matthew V. Scannapieco things of value, namely, cash payments as set forth below, intending to influence and reward Scannapieco, in connection with a business, transaction, and series of transactions of Marlboro Township involving a thing of value of \$5,000 or more:

COUNT	DATE	SUBJECT
1	Between in or about late 2001 and early 2002	Cash payment of approximately \$40,000 to Mayor Matthew V. Scannapieco
2	Between in or about 2002 and in or about 2003	Cash payments totaling approximately \$60,000 to Mayor Matthew V. Scannapieco

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

COUNT 3

(Offering and Giving a Corrupt Payment)

1. Paragraph 1 of Counts 1 and 2 is realleged and incorporated herein.

2. From in or about 2000 to in or about 2002, defendant ANTHONY SPALLIERO was in the process developing residential housing in the areas of Dutch Lane and Buckley Road in Marlboro Township. The value of this project well exceeded \$5,000,000.

3. New Jersey Transit Corporation owned property in the area of defendant ANTHONY SPALLIERO's residential development. To join two phases of the development, defendant ANTHONY SPALLIERO sought to obtain, on behalf of the builder, an easement from New Jersey Transit Corporation in the areas of Dutch Lane and Buckley Road.

4. In or about 2002, defendants ANTHONY SPALLIERO and JOSEPH SPALLIERO gave approximately \$10,000 in cash to Matthew V. Scannapieco, in exchange for Scannapieco persuading an elected state official to assist defendant ANTHONY SPALLIERO in procuring the easement from New Jersey Transit Corporation.

5. In or about 2002, in Monmouth County, in the District of New Jersey, and elsewhere, defendants

ANTHONY SPALLIERO and
JOSEPH SPALLIERO

did knowingly, willfully, and corruptly give, offer, and agree to give Mayor Matthew V. Scannapieco a thing of value, namely,

approximately \$10,000, intending to influence and reward Scannapieco, in connection with a business, transaction, and series of transactions of Marlboro Township involving a thing of value of \$5,000 or more.

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

COUNTS 4 & 5

(Offering and Giving Corrupt Payments)

1. Paragraphs 1(a), (c), (d), and (e) of Counts 1 and 2 are realleged and incorporated herein.

2. In or about 2002 and 2003, defendant ANTHONY SPALLIERO and others sought to construct a large retail store near Routes 9 and 520 in Marlboro Township. The value of constructing the store well exceeded \$1,000,000.

3. In or about 2002, defendant ANTHONY SPALLIERO and others filed an application before the Planning Board: (a) to rezone the property, and (b) for land-use approvals to allow construction and operation of the large retail store.

4. In or about late 2002, defendant ANTHONY SPALLIERO offered to give Mayor Matthew V. Scannapieco at least \$25,000 in exchange for Scannapieco's support of the rezoning and land-use approvals sought by defendant ANTHONY SPALLIERO.

5. In or about early 2003, defendant ANTHONY SPALLIERO gave Scannapieco approximately \$15,000 in cash as part of the \$25,000 that defendant ANTHONY SPALLIERO had offered Scannapieco.

6. Subsequently, in 2003, defendant ANTHONY SPALLIERO gave Scannapieco the remaining approximately \$10,000 in cash.

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

ANTHONY SPALLIERO

did knowingly, willfully, and corruptly give, offer, and agree to

give Mayor Matthew V. Scannapieco things of value, namely cash payments as set forth below, intending to influence and reward Scannapieco, in connection with a business, transaction, and series of transactions of Marlboro Township involving a thing of value of \$5,000 or more:

COUNT	DATE	SUBJECT
4	In or about early 2003	Cash payment of approximately \$15,000 to Mayor Matthew V. Scannapieco
5	In or about 2003	Cash payment of approximately \$10,000 to Mayor Matthew V. Scannapieco

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

COUNT 6

(Offering a Corrupt Payment)

1. Paragraphs 1(a), (c), (d), and (e) and 2 to 3 of Counts 1 and 2 are realleged and incorporated herein.

2. In or about 2002, defendant ANTHONY SPALLIERO offered to give a member of the Marlboro Township Planning Board approximately \$30,000 in exchange for the Planning Board member's support of defendant ANTHONY SPALLIERO's efforts to develop residential housing on the airport property.

3. In reliance on defendant ANTHONY SPALLIERO's offer, the Planning Board member supported defendant ANTHONY SPALLIERO's proposal.

4. In or about 2002, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

ANTHONY SPALLIERO

did knowingly, willfully, and corruptly offer and agree to give the Planning Board member a thing of value, namely, approximately \$30,000, intending to influence and reward the Planning Board member, in connection with a business, transaction, and series of transactions of Marlboro Township involving a thing of value of \$5,000 or more.

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

COUNT 7

(Offering a Corrupt Payment)

1. Paragraphs 1(a), (c), (d), and (e) of Counts 1 and 2, and paragraphs 2 to 3 of Counts 4 and 5, are realleged and incorporated herein.

2. In or about 2003, defendant ANTHONY SPALLIERO offered to give a member of the Marlboro Township Planning Board money in exchange for the Planning Board member's support for, and approval of, defendant ANTHONY SPALLIERO's application for rezoning and land-use approvals to construct and operate a large retail store near Routes 9 and 520 in Marlboro Township.

3. In or about 2003, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

ANTHONY SPALLIERO

did knowingly, willfully, and corruptly offer and agree to give the Planning Board member a thing of value, namely money, intending to influence and reward the Planning Board member, in connection with a business, transaction, and series of transactions of Marlboro Township involving a thing of value of \$5,000 or more.

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

COUNTS 8 & 9

(Offering and Giving Corrupt Payments)

1. Paragraphs 1(a), (c), (d), and (e) and 2 to 3 of Counts 1 and 2, and paragraphs 2 to 3 of Counts 4 and 5, are realleged and incorporated herein.

2. At all times relevant to this Indictment, Stanley Young was a member of the Marlboro Township Planning Board.

3. In or about 2001, defendant ANTHONY SPALLIERO gave approximately \$1,000 in cash to Stanley Young in exchange for Young's support, as a member of the Planning Board, of past proposals that defendant ANTHONY SPALLIERO had placed before the Planning Board, and in exchange for supporting other proposals that defendant ANTHONY SPALLIERO would place before the Planning Board. These proposals included but were not limited to the proposal to develop residential units on the airport property and the proposal to construct a large retail store near Routes 9 and 520.

4. In or about 2002, defendant ANTHONY SPALLIERO gave approximately \$1,500 in cash to Stanley Young in exchange for Young's support, as a member of the Planning Board, of past proposals that defendant ANTHONY SPALLIERO had placed before the Planning Board, and in exchange for supporting other proposals that defendant ANTHONY SPALLIERO would place before the Planning Board. These proposals included but were not limited to the proposal to develop residential units on the airport property and

the proposal to construct a large retail store near Routes 9 and 520.

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

ANTHONY SPALLIERO

did knowingly, willfully, and corruptly give, offer, and agree to give Stanley Young a thing of value, namely cash payments as set forth below, intending to influence and reward Stanley Young, in connection with a business, transaction, and series of transactions of Marlboro Township involving a thing of value of \$5,000 or more:

COUNT	DATE	SUBJECT
8	In or about 2001	Cash payment of approximately \$1,000 to Stanley Young
9	In or about 2002	Cash payment of approximately \$1,500 to Stanley Young

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

COUNT 10

(Offering and Giving a Corrupt Payment)

1. Paragraph 1(a) of Counts 1 and 2 is realleged and incorporated herein.

2. At all times relevant to this Indictment:

a. Anthony Palughi was the Superintendent of the Division of Bridges in Monmouth County and an aide to the Freeholder Director of the Monmouth County Board of Chosen Freeholders (the "Freeholder Director");

b. The Freeholder Director was responsible for, among other things, overseeing Monmouth County's Department of Administration and Special Services, which included such offices as the Monmouth County Planning Board; and

c. Monmouth County was a local government entity located in New Jersey, and was an organization that received federal assistance in excess of \$10,000 per year.

3. In or around late 2001, defendant ANTHONY SPALLIERO agreed to give Anthony Palughi \$5,000 in cash to give to the Freeholder Director, after Palughi had contacted defendant ANTHONY SPALLIERO on behalf of the Freeholder Director, and informed defendant ANTHONY SPALLIERO that the Freeholder Director was traveling to Florida and needed money for the trip.

4. Defendant ANTHONY SPALLIERO and Palughi subsequently met at the Bourbon Street nightclub, where defendant ANTHONY SPALLIERO withdrew cash from a safe located in the nightclub, put

the cash in an envelope, and gave it to Palughi.

5. Several hours later, Palughi delivered the \$5,000 to the Freeholder Director at the Freeholder Director's home in Ocean Grove. The Freeholder Director gave \$1,500 to Palughi.

6. The \$5,000 that defendant ANTHONY SPALLIERO gave to Palughi for the Freeholder Director was in exchange for official assistance that the Freeholder Director had rendered to defendant ANTHONY SPALLIERO in conjunction with development projects throughout Monmouth County.

7. In or about late 2001, in Monmouth County and Middlesex County, in the District of New Jersey, and elsewhere, defendant

ANTHONY SPALLIERO

did knowingly, willfully, and corruptly give, offer, and agree to give Palughi and the Freeholder Director a thing of value, namely, approximately \$5,000, intending to influence and reward the Freeholder Director, in connection with a business, transaction, and series of transactions of Monmouth County involving a thing of value of \$5,000 or more.

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

COUNTS 11 TO 14

(Scheme To Defraud the Public of Honest Services)

1. Paragraphs 1 to 5 of Counts 1 and 2, paragraphs 2 to 4 of Count 3, paragraphs 2 to 6 of Counts 4 and 5, paragraphs 2 and 3 of Count 6, paragraph 2 of Count 7, and paragraphs 2 to 4 of Counts 8 and 9, are realleged and incorporated herein.

The Public's Right to Honest Services

2. At all times relevant to this Indictment, Marlboro Township and its citizens had an intangible right to the honest services of their public officials. As public officials of Marlboro Township, Matthew V. Scannapieco and Stanley Young owed Marlboro Township and its citizens a duty to, among other things, (a) refrain from obtaining or accepting corrupt payments and benefits designed to (I) improperly affect the performance of their official duties or (ii) cause favorable official action or inaction; and (b) disclose personal financial interests in official matters over which they exercised influence, authority, and discretion in favor of those interests and not to affirmatively conceal such material information.

The Scheme To Defraud the Public of Honest Services

3. From in or about 2001 to in or about 2003, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

ANTHONY SPALLIERO

and others knowingly and willfully devised and intended to devise a scheme and artifice to defraud Marlboro Township and its citizens of the honest services of Matthew V. Scannapieco and Stanley Young in the affairs of Marlboro Township, by means of materially false and fraudulent pretenses, representations, and promises.

4. The object of the scheme was for defendant ANTHONY SPALLIERO to offer, directly and indirectly, and give corrupt payments to Scannapieco and Young in order to further ANTHONY SPALLIERO's development projects by securing, and attempting to secure, favorable treatment from those public officials in the discharge of their official duties, and to conceal from Marlboro Township and its citizens material information -- namely, the offering and giving of corrupt payments and other benefits, directly and indirectly, by defendant ANTHONY SPALLIERO to Scannapieco and Young.

5. It was part of the scheme and artifice to defraud that:

a. As described in Counts 1 to 5 of the Indictment, defendant ANTHONY SPALLIERO gave a series of corrupt cash payments to Matthew V. Scannapieco in exchange for Scannapieco's

support of defendant ANTHONY SPALLIERO's development projects.

b. As described in Count 6 of this Indictment, defendant ANTHONY SPALLIERO offered to give approximately \$30,000 to a member of the Marlboro Township Planning Board in exchange for the Planning Board member's support of defendant ANTHONY SPALLIERO's efforts to develop residential housing on the airport property.

c. As described in Count 7 of this Indictment, defendant ANTHONY SPALLIERO offered to give money to a member of the Marlboro Township Planning Board member in exchange for the Planning Board member's support for, and approval of, defendant ANTHONY SPALLIERO's application for rezoning and land-use approvals to construct a large retail store near Routes 9 and 520 in Marlboro Township.

d. As described in Counts 8 and 9 of this Indictment, defendant ANTHONY SPALLIERO gave two corrupt cash payments to Planning Board Member Stanley Young in exchange for Young's support of defendant ANTHONY SPALLIERO's development projects.

e. On several occasions from no later than from in or about 2001 to in or about 2003, defendant ANTHONY SPALLIERO arranged and paid for social events in order to influence Stanley Young, among others, and to obtain Young's support for his development projects in and around Marlboro Township, including but not limited to the following events:

i. A trip to Atlantic City, New Jersey in or about 2001, during which defendant ANTHONY SPALLIERO provided limousine transportation to and from Atlantic City, as well as accommodations and entertainment;

ii. A party at a hotel in Eatontown, New Jersey in or about 2002, during which defendant ANTHONY SPALLIERO provided limousine transportation to and from the hotel, as well as accommodations, catering, alcohol, and entertainment;

iii. Multiple parties at nightclubs owned or controlled by defendant ANTHONY SPALLIERO, including but not limited to Bourbon Street, during which defendant ANTHONY SPALLIERO provided admission to the club, alcohol, and entertainment.

f. In or about March 2001, defendant ANTHONY SPALLIERO provided Scannapieco and others with transportation to Las Vegas, Nevada, in order to attend a professional boxing match, as well as accommodations and tickets to the event, in order to influence Scannapieco and to obtain Scannapieco's support for his development projects in and around Marlboro Township.

g. The corrupt payments were made in the form of cash, so as not to create an audit trail, thereby concealing the existence of the payments. Additionally, in order to disguise the fact that defendant ANTHONY SPALLIERO had paid for the Las

Vegas trip described above for Scannapieco and others, Scannapieco gave defendant ANTHONY SPALLIERO a reimbursement check, after which defendant ANTHONY SPALLIERO returned approximately the same amount, in cash, to Scannapieco.

h. On multiple occasions between in or about 2001 and in or about 2003, defendant ANTHONY SPALLIERO instructed Scannapieco to be careful in how Scannapieco handled the money that defendant ANTHONY SPALLIERO gave him, including counseling Scannapieco (i) not to spend the money, (ii) not to buy lavish items, (iii) not to leave large tips in restaurants, (iv) not to keep cash in his house, and (v) how to bury or otherwise hide cash using a particular powder to prevent rotting. Defendant ANTHONY SPALLIERO also offered to pay Scannapieco by giving him checks written in the names of third parties.

i. Based in part on the concerns that defendant ANTHONY SPALLIERO expressed to Scannapieco regarding handling the money, Scannapieco:

i. Regularly used cash received from defendant ANTHONY SPALLIERO to purchase postal money orders, cashier's checks, and official bank checks, in order to purchase goods and services;

ii. Purchased money orders in specific amounts from different post offices, all within a day or short period of time, in order to avoid the filing of postal reports by the

United States Postal Service concerning Scannapieco's money-order purchases; and

iii. Purchased goods through others in order to conceal the fact that Scannapieco had actually purchased those goods.

j. Scannapieco and Young intentionally failed to disclose to the Marlboro Township Council and Planning Board the corrupt cash payments that they received directly and indirectly from defendant ANTHONY SPALLIERO.

k. Scannapieco and Young also intentionally failed to disclose the corrupt cash payments on the Financial Disclosure Statements for the years 2001 through 2003 required to be filed annually with the State of New Jersey, Department of Community Affairs, in further concealment of their financial relationships with defendant ANTHONY SPALLIERO. Scannapieco and Young were required to make disclosures of such financial receipts, but did not do so.

Mailings

6. On or about the dates listed below, in Monmouth County, in the District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendant ANTHONY SPALLIERO and others knowingly and willfully placed and caused to be placed in a post office and authorized depository for mail, and caused to be delivered by

mail according to the directions thereon, the matters and things specified below to be sent and delivered by the United States Postal Service, and took and received therefrom, the matters and things specified below:

COUNT	DATE	MAILING
11	On or about January 30, 2002	Letter from Marlboro Holdings LLC to Planning Board, Mayor, and Township Council proposing construction of age-restricted housing on site of Marlboro Airport
12	On or about April 23, 2002	2001 Financial Disclosure Statement of Matthew V. Scannapieco
13	On or about May 31, 2002	Letter from Marlboro Holdings LLC to Mayor Matthew V. Scannapieco and Township Council proposing rezoning site of Marlboro Airport to construct age-restricted housing
14	On or about April 30, 2003	2002 Financial Disclosure Statement of Matthew V. Scannapieco

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

COUNT 15

(Offering and Giving a Corrupt Payment)

1. Paragraph 1(a) of Counts 1 and 2 is realleged and incorporated herein.

2. At all times relevant to this Indictment:

a. Keyport Borough ("Keyport") was a municipal corporation located in Monmouth County, New Jersey, and was an organization that received federal assistance in excess of \$10,000 per year.

b. Official No. 1 was an elected official of the Borough of Keyport, New Jersey ("Keyport"). In that capacity, Official No. 1 was in a position to influence, and did influence, official action on behalf of Keyport and the Keyport Planning Board.

c. The Keyport Planning Board was composed of nine members, including the Mayor. The Keyport Planning Board was responsible for reviewing and determining whether to approve any and all land-use development within Keyport, including, but not limited to, subdivisions, site plans, and planned-development applications.

d. Builder No. 1 was in the business of developing land for residential and commercial purposes in Keyport and elsewhere in and around Monmouth County.

3. In or about 2004, Builder No. 1 sought to construct approximately four residences in Keyport, New Jersey. Doing so

required Builder No. 1 to obtain approvals for the construction from the Keyport Planning Board.

4. In or about 2004, defendant ANTHONY SPALLIERO gave \$5,000 in cash to an employee of Monmouth County (the "Monmouth County employee") with the understanding and intention that the Monmouth County employee would deliver the \$5,000 to Official No. 1, in exchange for Official No. 1's assistance in procuring the approvals from the Keyport Planning Board. Shortly thereafter in or about 2004, the Monmouth County employee delivered the \$5,000 to Official No. 1.

5. The \$5,000 that defendant ANTHONY SPALLIERO gave to the Monmouth County employee for Official No. 1 was to influence and coax Official No. 1 to provide official assistance to defendant ANTHONY SPALLIERO and Builder No. 1 in obtaining the approvals from the Keyport Planning Board.

6. In or about 2004, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

ANTHONY SPALLIERO

did knowingly, willfully, and corruptly give, offer, and agree to give the Monmouth County employee and Official No. 1 a thing of value, namely, approximately \$5,000, intending to influence and reward Official No. 1, in connection with a business, transaction, and series of transactions of Keyport Borough, involving a thing of value of \$5,000 or more.

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

COUNT 16

(Conspiracy To Impede and Impair the Functions of the IRS)

1. Paragraphs 1(a), 1(c), 1(d), 1(e) and 3 to 5 of Counts 1 and 2, paragraphs 2 to 4 of Count 3, paragraphs 2 to 6 of Counts 4 and 5, and paragraphs 5(g) to 5(k) of Counts 11 through 14 are realleged and incorporated herein.

The Conspiracy

2. From at least in or about 1997 to at least in or about April 2004, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

ANTHONY SPALLIERO

did knowingly and willfully combine, conspire, confederate, and agree with Scannapieco and others to defraud the United States and 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 the Conspiracy

3. It was an object of the conspiracy that defendant ANTHONY SPALLIERO, Scannapieco, and others would subvert the function of the IRS to ascertain, compute, assess, and collect income taxes due and owing from Scannapieco by fraudulently concealing from the IRS the existence of the corrupt cash payments that defendant ANTHONY SPALLIERO and Joseph Spalliero had made to Scannapieco.

Manner and Means of the Conspiracy

4. Among the means employed by defendants ANTHONY SPALLIERO, Scannapieco, and others to carry out the conspiracy and to effect its unlawful object were the following:

A. As described in Counts 1 to 5 and paragraph 5(g) of Counts 11 to 14 of this Indictment, defendant ANTHONY SPALLIERO and Joseph Spalliero made corrupt payments to Scannapieco in cash, in order to conceal the existence of the payments and eliminate an audit trail.

B. As described in paragraph 5(h) of Counts 11 to 14 of this Indictment, on multiple occasions between 1997 and 2004, defendant ANTHONY SPALLIERO counseled Scannapieco on various means of concealing the payments that defendants ANTHONY SPALLIERO and Joseph Spalliero had made to Scannapieco, including counseling Scannapieco (i) not to spend the money, (ii) not to buy lavish items, (iii) not to leave large tips in restaurants, (iv) not to keep cash in his house, and (v) how to bury or otherwise hide cash using a particular powder to prevent rotting. Defendant ANTHONY SPALLIERO also offered to pay Scannapieco by giving him checks written in the names of third parties.

C. As described in paragraph 5(i) of Counts 11 to 14 of this Indictment, based in part on the advice provided by defendant ANTHONY SPALLIERO, Scannapieco:

i. Regularly used cash received from defendant

ANTHONY SPALLIERO to purchase postal money orders, cashier's checks, and official bank checks, in order to purchase goods and services;

ii. Purchased money orders in specific amounts from different post offices, all within a day or short period of time, in order to avoid the filing of postal reports by the United States Postal Service concerning Scannapieco's money-order purchases; and

iii. Purchased goods through others in order to conceal the fact that Scannapieco had actually purchased those goods.

D. As described in paragraph 5(j) of Counts 11 to 14 of this Indictment, Scannapieco intentionally failed to disclose to the Marlboro Township Council and Planning Board the corrupt cash payments that he had received directly and indirectly from defendant ANTHONY SPALLIERO and Joseph Spalliero.

E. As described in paragraph 5(k) of Counts 11 to 14 of this Indictment, Scannapieco also intentionally failed to disclose the corrupt cash payments on the Financial Disclosure Statements for the years 1997 through 2002 required to be filed annually with the State of New Jersey, Department of Community Affairs, in further concealment of his financial relationship with defendant ANTHONY SPALLIERO. Scannapieco was required to make disclosures of such financial receipts, but did not do so.

F. Scannapieco signed, filed, and caused to be filed with the Internal Revenue Service ("IRS") United States Individual Income Tax Returns for himself and his wife for tax years 1998 through 2002 that were false and fraudulent, in that those tax returns disclosed none of the cash payments that Scannapieco had received from defendant ANTHONY SPALLIERO and Joseph Spalliero.

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. Between in or about late 2001 and early 2002, defendant ANTHONY SPALLIERO made a corrupt cash payment of approximately \$40,000 to Scannapieco.

B. In or about 2002, defendant ANTHONY SPALLIERO and Joseph Spalliero made a corrupt cash payment of approximately \$10,000 to Scannapieco.

C. On or about April 12, 2002, Scannapieco signed, filed, and caused to be filed with the IRS a 2001 United States Individual Income Tax Return on behalf of himself and his wife. That return disclosed none of the cash payments that Scannapieco had received from defendant ANTHONY SPALLIERO in 2001.

D. On or about April 23, 2002, Scannapieco signed, mailed, and caused to be mailed his Financial Disclosure

Statement for the year 2001, and therein intentionally failed to disclose the corrupt cash payments that he had received from defendant ANTHONY SPALLIERO in 2001.

E. Between in or about 2002 and 2003, defendant ANTHONY SPALLIERO made several corrupt cash payments, totaling approximately \$60,000, to Scannapieco.

F. In or about early 2003, defendant ANTHONY SPALLIERO made a corrupt cash payment of approximately \$15,000 to Scannapieco.

G. In or about 2003, defendant ANTHONY SPALLIERO made a corrupt cash payment of approximately \$10,000 to Scannapieco.

H. On or about April 30, 2003, Scannapieco signed, mailed, and caused to be mailed his Financial Disclosure Statement for the year 2002, and therein intentionally failed to disclose the corrupt cash payments that he had received from defendant ANTHONY SPALLIERO and Joseph Spalliero in 2002.

I. On or about April 14, 2003, Scannapieco signed, filed, and caused to be filed with the IRS a 2002 United States Individual Income Tax Return on behalf of himself and his wife. That return disclosed none of the cash payments that Scannapieco had received from defendant ANTHONY SPALLIERO and JOSEPH SPALLIERO.

J. On or about April 10, 2004, Scannapieco signed, filed, and caused to be filed with the IRS a 2003 United States Individual Income Tax Return on behalf of himself and his wife.

That return disclosed none of the cash payments that Scannapieco had received from defendant ANTHONY SPALLIERO.

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

A TRUE BILL

FOREPERSON

CHRISTOPHER J. CHRISTIE
UNITED STATES ATTORNEY

Criminal No. 05-718 (AET)

***UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY***

UNITED STATES OF AMERICA

v.

**ANTHONY SPALLIERO AND
JOSEPH SPALLIERO**

SUPERSEDING INDICTMENT FOR

18 U.S.C. §§ 371, 666(a)(2), 1341, 1346, & 2

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