LMCJR/2011R00655

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	
	:	Crim. No. 11-
v.	:	
	:	2 U.S.C. §§ 441f and 437g(d)(1) and 18 U.S.C.
FRANCIS X. GARTLAND and	:	§ 2; 18 U.S.C. § 371;
THOMAS J. O'LEARY	:	18 U.S.C. § 1001(a)(2) and § 2(b)
	:	

INDICTMENT

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

COUNT 1

(Conspiracy to Violate the Federal Election Campaign Act - Contributions to a Federal Candidate in the Names of Others)

THE DEFENDANTS

1. At all times relevant to Count 1 of the Indictment:

A. Defendant FRANCIS X. GARTLAND ("defendant GARTLAND") was an insurance broker based in Towson, Maryland, whose business provided insurance brokerage services for public entities, including municipalities and school boards. Through his companies, Federal Hill Risk Management, L.L.C. ("Federal Hill"), Gartland and Company, Inc. ("Gartland & Co."), and Dynamic Claims Management, Inc. ("DCM"), defendant GARTLAND obtained insurance brokerage contracts with numerous New Jersey local government entities. Defendant GARTLAND, through his companies Federal Hill and Gartland & Co., served as health insurance broker of record for the City of Perth Amboy and the Perth Amboy Board of Education. As the broker of record, defendant GARTLAND's companies were authorized to represent the City of Perth Amboy and the Perth Amboy Board of Education in dealings with

health insurance carriers. Defendant GARTLAND's companies earned commissions from their representation of the City of Perth Amboy and the Perth Amboy Board of Education.

B. Defendant THOMAS J. O'LEARY ("defendant O'LEARY") was the Executive Director of the South Amboy Housing Authority in South Amboy, New Jersey, as well as the Executive Director of the Old Bridge Housing Authority. Defendant O'LEARY also held himself out as an insurance broker/salesman for insurance service-related companies that were owned and/or controlled by defendant GARTLAND, including Federal Hill. Additionally, defendant O'LEARY was the principal of Gateway Health Management, Inc., an insurance service company, as well as a principal of DCM, along with defendant GARTLAND.

THE 2005-2006 CONGRESSIONAL CAMPAIGN OF JOSEPH VAS

2. Joseph Vas held the position of Mayor of the City of Perth Amboy, New Jersey, from in or about 1990 to in or about June 2008. Vas also held the position of State Assemblyman, representing the 19th Legislative District from in or about 2003 to in or about 2010. During the 2005-2006 federal election cycle, Vas was a candidate in the Democratic primary for United States Congress in New Jersey's 13th District. As part of his congressional primary campaign, Vas established a formal campaign committee, known as the "Vas for Congress" campaign committee (the "Vas Campaign Committee"), appointed a treasurer, opened bank accounts, received contributions, and expended funds.

3. As the principal campaign committee for Vas, the Vas Campaign Committee was subject to the reporting provisions and campaign financing limitations and prohibitions of the Federal Election Campaign Act, 2 U.S.C. §§ 431-455 ("FECA").

4. The Federal Election Commission (the "FEC") was an independent regulatory agency established in 1975 to administer and enforce FECA. FECA limited the sources and amounts of the contributions used to finance federal elections and required public disclosure of campaign finance information. FECA also governed the making and reporting of contributions

to federal candidates, including candidates for election to Congress, and specifically: (a) limited the amount of contributions from individuals; (b) prohibited contributions by one person in the name of another person ("straw or conduit contributions"); and (c) required a political committee authorized by a federal candidate to file periodic reports with the FEC identifying each person who made a contribution during the reporting period that exceeded $200.

5. Specific provisions of FECA governed the making and reporting of campaign contributions, including:

A. The maximum individual contribution allowed by law to any federal candidate or his or her authorized political committee was $2,100 per election;

B. It was unlawful to make contributions in the name of another person or knowingly permit one's name to be used to effect such contributions;

C. The Vas Campaign Committee was required to have a treasurer who had to authorize all expenditures and make a written record of all funds received as contributions to the political committee;

D. The Vas Campaign Committee, by its treasurer, was required to file quarterly reports and pre- and post-election reports with the FEC identifying each person who made a contribution during the reporting period whose contributions or contributions for that election cycle aggregated to over $200; and

E. The FEC was responsible for providing accurate information to the public about the amounts and sources of campaign contributions, and it used these quarterly reports to administer and enforce FECA.

6. Melvin Ramos was employed by the City of Perth Amboy as, among other things, Vas' mayoral aide from in or about 1991 to in or about June 2008. From in or about September 2005 to in or about 2008, Ramos also was the treasurer of the Vas Campaign Committee. Pursuant to FECA, as treasurer, Ramos' responsibilities included, but were not limited to: (i) filing complete and accurate reports and statements on time; (ii) signing all reports and statements; (iii) depositing receipts in the committee's designated bank account within ten days of receipt; (iv) authorizing expenditures or appointing an agent (either orally or in writing) to

authorize expenditures; (v) monitoring contributions to ensure compliance with the federal law's limits and prohibitions; and (vi) keeping the required records of receipts and disbursements.

THE STRAW CONTRIBUTORS AND OTHER INDIVIDUALS

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

A. INDIVIDUAL 1 was the owner and operator of a towing service based in and around Avenel, New Jersey and an acquaintance of defendant O'LEARY.

B. STRAW CONTRIBUTOR 1 was defendant GARTLAND's son-in-law and was a vice president and later president of Federal Hill.

C. STRAW CONTRIBUTOR 2 also was defendant GARTLAND's son-in-law and was a vice president and information technology specialist of Federal Hill.

D. STRAW CONTRIBUTOR 3 was defendant GARTLAND's daughter and was an employee of Federal Hill.

E. STRAW CONTRIBUTOR 4 was STRAW CONTRIBUTOR 1's spouse and defendant GARTLAND's daughter, and became an employee of Federal Hill in or about April 2008.

F. STRAW CONTRIBUTOR 5 was STRAW CONTRIBUTOR 2's spouse and defendant GARTLAND's stepdaughter.

G. STRAW CONTRIBUTOR 6 was defendant GARTLAND's acquaintance and an employee of DCM.

H. STRAW CONTRIBUTOR 7 was the spouse of defendant GARTLAND's business partner.

I. STRAW CONTRIBUTOR 8 was an employee of the South Amboy Housing Authority, directly supervised by defendant O'LEARY.

J. STRAW CONTRIBUTOR 9 was defendant O'LEARY's sister.

K. STRAW CONTRIBUTOR 10 was STRAW CONTRIBUTOR 9's spouse.

L. STRAW CONTRIBUTOR 11 was defendant O'LEARY's brother-in-law.

M. STRAW CONTRIBUTOR 12 was an employee of INDIVIDUAL 1.

N. STRAW CONTRIBUTOR 13 was defendant GARTLAND's acquaintance and was a bookkeeper for Federal Hill and Gartland & Co.

O. STRAW CONTRIBUTOR 14 was STRAW CONTRIBUTOR 13's spouse.

P. STRAW CONTRIBUTOR 15 was an insurance broker licensed by the State of New Jersey and was a paid consultant of Federal Hill (collectively, with STRAW CONTRIBUTORS 1-14, the "STRAW CONTRIBUTORS").

THE CONSPIRACY

8. From in or about September 2005 to in or about November 2006, in the District of New Jersey and elsewhere, defendants

FRANCIS X. GARTLAND and
THOMAS J. O'LEARY

did knowingly and intentionally conspire and agree with others both known and unknown, to defraud the United States, and in particular the FEC, by impairing, impeding and defeating its lawful function and duties under FECA.

9. It was the object of the conspiracy to intentionally obstruct, impair, and impede the FEC in the lawful discharge of it statutory duties, namely:

A. The duty imposed on the FEC by FECA to make available to the public accurate information concerning the identities of contributors to federal campaigns, the identities of persons making independent expenditures expressly advocating the election or defeat of clearly identified federal candidates, and the dates and amounts of such contributions or independent expenditures; and

B. The duty imposed on the FEC by FECA to detect violations of campaign contribution limitations or undisclosed independent expenditures, and to seek civil and administrative sanctions against individuals who make illegal campaign contributions or who fail to disclose independent expenditures,

by defendants GARTLAND and O'LEARY making prohibited contributions totaling approximately $30,700 to the Vas Campaign Committee through straw contributors without being detected by the FEC or the public.

MANNER AND MEANS OF THE CONSPIRACY

10. Between September 2005 and November 2006, defendants GARTLAND and O'LEARY directly and indirectly contacted and recruited the Straw Contributors to write checks payable to the Vas Campaign Committee. Defendants GARTLAND and O'LEARY caused such checks to be collected and delivered to the Vas Campaign Committee and deposited into the committee's bank account. A table of these contributions is set forth below:

CONDUIT	CONTRIBUTION DATE	DATE DEPOSITED	APPROXIMATE AMOUNT
STRAW CONTRIBUTOR 1	9/29/2005	9/30/2005	$2,100
STRAW CONTRIBUTOR 2	9/29/2005	9/30/2005	$2,100
STRAW CONTRIBUTOR 3	9/29/2005	9/30/2005	$2,100
STRAW CONTRIBUTOR 4	1/25/2006	2/1/2006	$2,100
STRAW CONTRIBUTOR 5	1/25/2006	2/1/2006	$2,100
STRAW CONTRIBUTOR 6	1/24/2006	2/1/2006	$2,100
STRAW CONTRIBUTOR 7	1/27/2006	2/1/2006	$2,100
STRAW CONTRIBUTOR 8	5/23/2006	5/23/2006	$2,000
STRAW CONTRIBUTOR 9	5/23/2006	5/23/2006	$2,000
STRAW CONTRIBUTOR 10	5/23/2006	5/23/2006	$2,000
STRAW CONTRIBUTOR 11	5/23/2006	5/23/2006	$2,000
STRAW CONTRIBUTOR 12	5/23/2006	5/23/2006	$2,000
STRAW CONTRIBUTOR 13	11/1/2006	11/3/2006	$2,000
STRAW CONTRIBUTOR 14	11/1/2006	11/3/2006	$2,000
STRAW CONTRIBUTOR 15	11/2/2006	11/3/2006	$2,000

11. Defendants GARTLAND and O'LEARY directly and indirectly reimbursed and paid the Straw Contributors for the contributions to the Vas Campaign Committee.

OVERT ACTS

In furtherance of the conspiracy and to effectuate the objects thereof, defendants GARTLAND and O'LEARY committed, among other acts, the following overt acts in the District of New Jersey and elsewhere:

12. Acts involving STRAW CONTRIBUTOR 8:

    A. On or about May 23, 2006, defendant O'LEARY recruited STRAW CONTRIBUTOR 8 to contribute $2,000 to the Vas Campaign Committee.

    B. In exchange for STRAW CONTRIBUTOR 8's contribution, defendant O'LEARY reimbursed STRAW CONTRIBUTOR 8 by check in or about May 2006.

13. Acts involving STRAW CONTRIBUTOR 9 and 10:

    A. On or about May 23, 2006, defendant O'LEARY recruited STRAW CONTRIBUTOR 9 to contribute $4,000 to the Vas Campaign Committee from both STRAW CONTRIBUTOR 9 and her husband, STRAW CONTRIBUTOR 10.

    B. In exchange for STRAW CONTRIBUTOR 9 and 10's contributions, defendant O'LEARY reimbursed STRAW CONTRIBUTOR 9 by check on or about May 22, 2006.

14. Acts involving STRAW CONTRIBUTOR 11:

    A. On or about May 23, 2006, defendant O'LEARY recruited STRAW CONTRIBUTOR 11 to contribute $2,000 to the Vas Campaign Committee.

    B. In exchange for STRAW CONTRIBUTOR 11's contribution, defendant O'LEARY reimbursed STRAW CONTRIBUTOR 11 in cash on or about May 23, 2006.

15. Acts involving STRAW CONTRIBUTOR 12:

    A. On or about May 23, 2006, defendant O'LEARY instructed INDIVIDUAL 1 to recruit STRAW CONTRIBUTOR 12 to contribute $2,000 to the Vas Campaign Committee.

B. In exchange for STRAW CONTRIBUTOR 12's contribution, defendant O'LEARY directed INDIVIDUAL 1 to reimburse STRAW CONTRIBUTOR 12 in cash on or about May 23, 2006.

16. On or about May 23, 2006, defendant O'LEARY caused the checks from STRAW CONTRIBUTORS 8 to 12, none of which revealed the identity of the true contributor, to be deposited into the bank account of the Vas Campaign Committee.

17. Acts involving STRAW CONTRIBUTOR 13 and 14:

A. In or about October 2006, defendant GARTLAND recruited STRAW CONTRIBUTOR 13 to contribute $2,000 to the Vas Campaign Committee and to instruct his wife, STRAW CONTRIBUTOR 14, to also contribute $2,000.

B. In exchange for STRAW CONTRIBUTOR 13 and 14's contributions, defendant GARTLAND reimbursed STRAW CONTRIBUTOR 13 by check on or about October 30, 2006.

18. Acts involving STRAW CONTRIBUTOR 15:

A. On or about November 2, 2006, defendant GARTLAND recruited STRAW CONTRIBUTOR 15 to contribute $2,000 to the Vas Campaign Committee.

B. In exchange for STRAW CONTRIBUTOR 15's contribution, defendant GARTLAND reimbursed STRAW CONTRIBUTOR 15 by check in or about November 2006.

19. On or about November 3, 2006, defendant GARTLAND caused the checks from STRAW CONTRIBUTORS 13 to 15, none of which revealed the identity of the true contributor, to be deposited into the bank account of the Vas Campaign Committee.

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

COUNT 2

(Conduit Contribution Offense)

1. Paragraphs 1 to 6 and 7(E) to (H) and (N) to (P) of Count 1 of this Indictment are realleged as if set forth in full herein.

2. From on or about January 25, 2006 to on or about November 3, 2006, defendant

FRANCIS X. GARTLAND

knowingly and willfully (a) made contributions within the meaning of Title 2, United States Code, Section 431(8) to a federal candidate in the names of others; (b) caused others to permit their names to be used to effect such contributions; and (c) accepted and received contributions made by one person in the name of another, which violations aggregated to more than $10,000 during a calendar year, namely 2006, as follows:

CONDUIT	CONTRIBUTION DATE	DATE DEPOSITED	APPROXIMATE AMOUNT
STRAW CONTRIBUTOR 4	1/25/2006	2/1/2006	$2,100
STRAW CONTRIBUTOR 5	1/25/2006	2/1/2006	$2,100
STRAW CONTRIBUTOR 6	1/24/2006	2/1/2006	$2,100
STRAW CONTRIBUTOR 7	1/27/2006	2/1/2006	$2,100
STRAW CONTRIBUTOR 13	11/1/2006	11/3/2006	$2,000
STRAW CONTRIBUTOR 14	11/1/2006	11/3/2006	$2,000
STRAW CONTRIBUTOR 15	11/2/2006	11/3/2006	$2,000

In violation of Title 2, United States Code, Sections 441f and 437g(d)(1)(D)(i)-(iii) and Title 18, United States Code, Section 2.

COUNT 3

(Conduit Contribution Offense)

1. Paragraphs 1 to 6 and 7(A) and (I) to (M) of Count 1 of this Indictment are realleged as if set forth in full herein.

2. On or about May 23, 2006, defendant

THOMAS J. O'LEARY

knowingly and willfully (a) made contributions within the meaning of Title 2, United States Code, Section 431(8) to a federal candidate in the names of others; (b) caused others to permit their names to be used to effect such contributions; and (c) accepted and received contributions made by one person in the name of another, which violations aggregated to $2,000 and more during a calendar year, namely 2006, as follows:

CONDUIT	CONTRIBUTION DATE	DATE DEPOSITED	APPROXIMATE AMOUNT
STRAW CONTRIBUTOR 8	5/23/2006	5/23/2006	$2,000
STRAW CONTRIBUTOR 9	5/23/2006	5/23/2006	$2,000
STRAW CONTRIBUTOR 10	5/23/2006	5/23/2006	$2,000
STRAW CONTRIBUTOR 11	5/23/2006	5/23/2006	$2,000
STRAW CONTRIBUTOR 12	5/23/2006	5/23/2006	$2,000

In violation of Title 2, United States Code, Sections 441f and 437g(d)(1)(A)(ii) and Title 18, United States Code, Section 2.

COUNTS 4 to 5

(Causing False Statements to the Federal Election Commission)

1. Paragraphs 1 to 6 and 7(E) to (H) and (N) to (P) of Count 1 of this Indictment are realleged as if set forth in full herein.

2. Melvin Ramos, as treasurer for the Vas Campaign Committee, regularly filed reports with the FEC, disclosing, among other items, contributions made by donors. Each report carried a notice that false, erroneous or incomplete information could subject the person signing the report to penalties under federal law. On each of these reports, Ramos certified that he had examined the reports and to the best of his knowledge and belief, the reports were true, correct and complete.

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

FRANCIS X. GARTLAND

knowingly and willfully caused the treasurer of the Vas Campaign Committee to make materially false and fictitious statements, representations, and writings to the FEC, concerning matters within the jurisdiction of the FEC, in that defendant GARTLAND caused the treasurer of the Vas Campaign Committee to file with the FEC the following:

COUNT	REPORT TYPE	FILING DATE	FALSE STATEMENT(S)
4	FEC Amended Report 3, covering 1/1/2006 through 3/31/2006	5/25/2006	Defendant GARTLAND caused the treasurer of the Vas Campaign Committee to falsely report that contributions came from STRAW CONTRIBUTORS 4 to 7, when, in fact, defendant GARTLAND had reimbursed STRAW CONTRIBUTORS 4 to 7 for those contributions and was the actual contributor of all $8,400 of those funds.
5	FEC Report 3, covering 10/1/2006 through 12/31/2006	1/31/2007	Defendant GARTLAND caused the treasurer of the Vas Campaign Committee to falsely report that contributions came from STRAW CONTRIBUTORS 13 to 15, when, in fact, defendant GARTLAND had reimbursed STRAW CONTRIBUTORS 13 to 15 for those contributions and was the actual contributor of all $6,000 of those funds.

In violation of Title 18, United States Code, Section 1001(a)(2) and Section 2(b).

COUNT 6

(Causing False Statements to the Federal Election Commission)

1. Paragraphs 1 to 6 and 7(A) and (I) to (M) of Count 1 and Paragraph 2 of Count 4 to 5 of this Indictment are realleged as if set forth in full herein.

2. On or about the October 15, 2006, in the District of New Jersey and elsewhere, defendant

THOMAS J. O'LEARY

knowingly and willfully caused the treasurer of the Vas Campaign Committee to make materially false and fictitious statements, representations, and writings to the FEC, concerning matters within the jurisdiction of the FEC, in that defendant O'LEARY caused the treasurer of the Vas Campaign Committee to file with the FEC a quarterly report, namely an FEC Amended Form 3 Report, filed on October 15, 2006 and covering the May 18, 2006 through June 30, 2006 period, that falsely listed STRAW CONTRIBUTORS 8 to 12 as contributors to the Vas Campaign Committee, when, in fact, defendant O'LEARY had reimbursed STRAW CONTRIBUTORS 8 to 12 for those contributions and was the actual contributor of all $10,000 of those funds.

In violation of Title 18, United States Code, Section 1001(a)(2) and Section 2(b).

A TRUE BILL

FOREPERSON

PAUL J. FISHMAN
UNITED STATES ATTORNEY

CASE NUMBER: _____

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

FRANCIS X. GARTLAND
and THOMAS J. O'LEARY

INDICTMENT FOR

2 U.S.C. §§ 441f and 437g(d)(1);
18 U.S.C. § 371;
18 U.S.C. § 1001(a)(2) and § 2(b)

A True Bill,

[redacted]

Foreperson

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