

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 11-  
v. : 18 U.S.C. §§ 1341 & 1343 & § 2  
: 18 U.S.C. § 981(a)(1)(C) &  
LAVERN WEBB WASHINGTON : 28 U.S.C. § 2461

I N D I C T M E N T

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

COUNTS ONE TO FOUR  
(Mail and Wire Fraud)

1. At all times relevant to Counts One to Four of this  
Indictment:

(A) Defendant LAVERN WEBB WASHINGTON ("defendant WEBB  
WASHINGTON") was a candidate for election seeking to represent  
Ward F on the Municipal Council for Jersey City, New Jersey ("JC  
Council"), which election was held on or about May 12, 2009, and  
in which she did not prevail.

(B) Edward Cheatam ("Cheatam") was the affirmative action  
officer for Hudson County and a Commissioner on the Jersey City  
Housing Authority.

(C) There was an individual, now deceased, who owned and  
operated a consulting firm based in Jersey City (the  
"Consultant").

(D) There was a cooperating witness (the "CW") who, at the  
direction of the Federal Bureau of Investigation ("FBI"), held

himself out to be a real estate developer interested in development of the greater Jersey City area, including on Garfield Avenue.

(E) In or about January 2009, defendant WEBB WASHINGTON established the Lavern Webb-Washington Election Fund (the "Campaign Fund") at the Provident Bank in Jersey City, New Jersey for the purpose of collecting, keeping and disbursing funds in connection with her campaign. Defendant WEBB WASHINGTON also maintained a personal bank account at the Provident Bank (the Personal Bank Account).

(F) The law of the State of New Jersey, i.e., the Campaign Contributions and Expenditures Reporting Act, N.J. Stat. Ann. §§ 19:44A-1 et seq., and N.J.A.C. 19:25-1 et seq., required the treasurer of a candidate committee to, among other things: (i) make an accurate written record of all contributions made to the committee; (ii) deposit all contributions (not transferred to another committee or candidate) in a campaign depository or bank account; and (iii) report the receipt of cash contributions, regardless of amount, as well as all other contributions exceeding \$300, to the New Jersey Election Law Enforcement Commission ("ELEC") on forms issued by ELEC.

(G) In addition, pursuant to N.J. Stat. Ann. 19:44A-1 et seq., N.J.A.C. 19:25-1 et seq., and their common-law obligations as fiduciaries of a campaign committee, campaign treasurers and

candidates for office were under a duty of their respective campaign committees to, among other things, honestly and truthfully account for the committees' receipts and not to use any such committee funds for any improper purpose or expenditures. Specifically, the State of New Jersey prohibited the personal use of campaign funds.

2. From in or about March 2009 to in or about May 2009, defendant WEBB WASHINGTON, with the assistance of Cheatam and the Consultant, accepted and agreed to accept cash payments, including approximately \$15,000 in cash campaign contributions, from the CW as consideration for defendant WEBB WASHINGTON's future official assistance and action in obtaining certain development approvals for the CW on a property purportedly located on Garfield Avenue in Jersey City (the "Garfield Avenue Development").

3. From in or about March 2009 to in or about May 2009, defendant WEBB WASHINGTON also accepted approximately \$6,100 in contributions from another developer (the "Developer") interested in doing business in Jersey City and from individuals related to the Developer.

4. From in or about March 2009 to in or about May 2009, in Hudson and Mercer Counties, in the District of New Jersey and elsewhere, defendant

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did knowingly and intentionally devise and intend to devise, and willfully participate in, a scheme and artifice to defraud the Campaign Fund and its Treasurer and to obtain money and property that should have been deposited into the Campaign Fund and used for campaign-related purposes by means of materially false and fraudulent pretenses, representations, and promises.

5. It was the object of the scheme and artifice to defraud for defendant WEBB WASHINGTON to divert and obtain funds earmarked for her campaign and to conceal such diversion and procurement by, among other things, filing false Reports of Contributions and Expenses ("Campaign Reports") with ELEC that were certified by defendant WEBB WASHINGTON as being true.

6. It was part of the scheme and artifice that:

(A) defendant WEBB WASHINGTON accepted approximately \$15,000 in cash contributions from the CW (in \$5,000 increments on or about March 30, 2009, April 23, 2009 and May 7, 2009), which payments were facilitated by Cheatam and the Consultant.

(B) defendant WEBB WASHINGTON kept a portion of this \$15,000 in cash (approximately \$6,000), not causing it to be deposited into her Campaign Fund or the Personal Bank Account.

(C) defendant WEBB WASHINGTON deposited a portion of this \$15,000 in cash (approximately \$9,000) into the Personal Bank Account, thereafter spending a portion of this money on non-campaign related expenses.

(D) defendant WEBB WASHINGTON issued two checks from the Personal Bank Account payable to the Campaign Fund totaling \$3,900: (i) a \$2,000 check dated on or about March 30, 2009 marked "loan" in the memo portion of the check--to create the impression that this check pertained to a loan transaction--and (ii) a \$1,900 check dated on or about April 23, 2009), but intentionally did not report the source of these contributions on Campaign Reports filed with ELEC. Defendant WEBB WASHINGTON also did not disclose on Campaign Reports approximately \$4,100 in checks that the Campaign Fund had received from the Developer and individuals related to the Developer on or about May 9, 2009.

(E) defendant WEBB WASHINGTON, in causing money to be disbursed from the Campaign Fund, issued unnumbered checks payable to "Cash" drawn on the Campaign Fund, including checks in the following amounts on or about the dates set forth: \$700 (April 11, 2009), \$300 (April 15, 2009) and \$1,500 (April 23, 2009), which check disbursements were not disclosed on Campaign Reports filed with ELEC. Defendant WEBB WASHINGTON also did not disclose other disbursements on Campaign Reports filed with ELEC, including a \$3,500 check payable to "Cash" drawn on the Campaign Fund dated on or about May 12, 2009.

7. On or about the dates listed below, in Hudson and Mercer Counties, in the District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute the scheme and artifice, defendant

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placed and caused to be placed in a post office and authorized depository for mail, and caused to be delivered thereon, certain mail matter to be sent and delivered by the United States Postal Service, and transmitted and caused to be transmitted by means of wire communications in interstate commerce certain writings,

signs, signals, pictures and sounds, as described below:

COUNT	APPROXIMATE DATE OF MAILING OR WIRE TRANSMISSIONS	DESCRIPTION OF MAILING OR WIRE TRANSMISSIONS
ONE	April 7, 2009	a materially false Campaign Report filed with ELEC in Trenton on or about April 13, 2009 (mailing)
TWO	From April 6 to April 20, 2009	three interstate telephone calls between Cheatham in New Jersey and the CW in Florida regarding setting up a meeting with defendant WEBB WASHINGTON for on or about April 23, 2009, at which meeting, defendant WEBB WASHINGTON accepted a \$5,000 payment (wire transmissions)
THREE	April 27, 2009	a materially false Campaign Report filed with ELEC in Trenton on or about May 5, 2009 (mailing)
FOUR	May 27, 2009	a materially false Campaign Report filed with ELEC in Trenton on or about June 11, 2009 (mailing)

In violation of Title 18, United States Code, Sections 1341 and 1343, and Title 18, United States Code, Section 2.

### Forfeiture Allegation

As the result of committing the aforementioned offenses contrary to Title 18, United States Code, Sections 1341 and 1343 (mail and wire fraud), as alleged in this Indictment, defendant WEBB WASHINGTON shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constituted or was derived from proceeds traceable to the commission of the offense, including but not limited to, at least approximately \$10,000 in United States currency, in that such sum constituted or was derived, directly or indirectly, from proceeds traceable to the commission of the mail and wire fraud offenses sets forth in this Indictment.

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

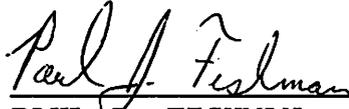
- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third party;
- (3) has been placed beyond the jurisdiction of the court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot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

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of defendant WEBB WASHINGTON up to the value of the above described forfeiture property.

In violation of Title 18, United States Code, Section 981  
and Title 28, United States Code, Section 2461.

A TRUE BILL

FOREPERSON

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PAUL J. FISHMAN  
United States Attorney