UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon.
v.	:	Crim. No.
GIACOMO "JACK" DEROSA	:	18 U.S.C. §§ 981(a)(1)(C), 982(a)(1), 1343, 1346, 1952(a)(3), 1956(a)(1)(B)(i) and § 2; 28 U.S.C. § 2461

INDICTMENT

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

COUNTS 1 and 2

(Scheme to Defraud the NWCDC of Honest Services and Money and Property by defendant DEROSA and Donald Bernard, Sr. Engaging in a Bribe and Kickback Arrangement With Such Payments Being Financed at Least in Part by NWCDC Funds Obtained by defendant DEROSA and Bernard through Fraud, all Facilitated by Use of Interstate Wire Transmissions)

Defendant and other Individuals and Entities

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

A. Defendant GIACOMO "JACK" DEROSA ("defendant DEROSA") owned and operated a construction and contracting business, Essex Home Improvements ("EHI"), located in West Orange, New Jersey.

B. The Newark Watershed Conservation and Development Corporation (the "NWCDC") operated as a not-for-profit organization created to manage the watershed properties owned by the City of Newark, New Jersey. The NWCDC's main corporate offices were in Newark. The NWCDC also maintained several water treatment and pumping facilities in Northern New Jersey.

C. The NWCDC was governed by a Board of Directors (the "Board") responsible for oversight of the organization. Until the NWCDC's By-Laws were amended in or about September 2012, the Board was to consist of seven to eleven members, including two Newark Municipal Council members as voting members, and the Mayor of Newark as a non-voting member. In or about September 2012, the Board adopted amended By-Laws, which provided that the Board was to be composed of only seven members, with no requirement that any of the Directors be members of the Newark municipal government. The day-to-day operations of the NWCDC were conducted by NWCDC staff, headed by an Executive Director (the "Executive Director") who reported to the Board.

D. While engaged first as a consultant and then an NWCDC employee, Donald Bernard, Sr. ("Bernard") was responsible for finding contractors to hire to conduct NWCDC operations. Bernard reported to the Executive Director. From in or about January 2010 to in or about March 2013, Bernard was a salaried employee of the NWCDC and held the position of Manager of Special Projects. Before that, from at least in or about 2008 to in or about January 2010, Bernard was a consultant for the NWCDC. Between in or about September 2008 and in or about August 2010, BERNARD received at least approximately $331,250 in payments from the NWCDC as a consultant either paid directly to him, or through Bernard & Associates ("B&A").

E. Defendant BERNARD also owned, operated, and controlled two entities: B&A and the African American Heritage Parade Committee ("AAHPC"). B&A purported to be a consulting business that specialized in public relations and event planning. The AAHPC purported to be a not-for-profit entity that solicited and collected funds to organize a yearly parade in Newark and other cultural events. Defendant BERNARD operated and controlled bank accounts in the names of both of these entities in New Jersey.

2. Between in or about January 2008 and in or about March 2013, the NWCDC issued payments to EHI totaling over $350,000.

The NWCDC's Right to, and Bernard's Duty of, Honest Services

3. At all times relevant to Counts 1 and 2 of this Indictment, the NWCDC had an intangible right to the honest services of their employees and hired consultants. As an employee and consultant to the NWCDC, Bernard owed the NWCDC a duty under the law to refrain from seeking and receiving secret bribes and kickbacks in exchange for Bernard's action and assistance as an employee and consultant for the NWCDC in the affairs of the NWCDC.

Corrupt and Fraudulent Scheme

4. From at least as early as in or about January 2008 to in or about March 2013, in Essex County, in the District of New Jersey, and elsewhere, defendant

GIACOMO "JACK" DEROSA,

Bernard and others knowingly and intentionally did devise and intend to devise a scheme and artifice to defraud the NWCDC: (A) of the right to Bernard's honest services in the affairs of the NWCDC; and (B) of money and property.

5. The object of this scheme and artifice to defraud was for defendant DEROSA to give and agree to give a stream of concealed and undisclosed bribes and kickbacks to Bernard for his direct and indirect benefit, in exchange for Bernard's action and assistance

in the affairs of the NWCDC on behalf of defendant DEROSA and EHI as specific opportunities arose, which bribes and kickbacks were financed by defendant DEROSA through the receipt of payments that had been fraudulently obtained from the NWCDC, with Bernard's assistance, through materially false pretenses, representations and promises.

6. It was a part of this scheme and artifice to defraud that:

A. From in or about January 2008 to in or about August 2012, defendant DEROSA gave and agreed to give to Bernard, directly and indirectly, a stream of payments through B&A, AAHPC and another company operated by a close associate of Bernard ("Bernard's Associate"), in the total amount of approximately $85,000.

B. Defendant DEROSA, Bernard, and others took steps to conceal this corrupt and fraudulent arrangement, including:

i. Using B&A and AAHPC to pass proceeds of the payments to Bernard;

ii. Using a subcontractor ("Subcontractor 1") as an intermediary to make certain payments to Bernard through AAHPC, to include:

(a) After defendant DEROSA received a $20,000 NWCDC check payable to EHI on or about June 20, 2012, defendant DEROSA caused EHI to issue a $10,000 check to Subcontractor 1's company ("Subcontracting Company 1") on or about June 21, 2012. On or about June 22, 2012, at defendant DEROSA'S instruction, Subcontractor 1 caused a $10,000 check payable from Subcontracting Company 1 to AAHPC to be issued. Bernard caused that

$10,000 check to be deposited into AAHPC's bank account in New Jersey on or about June 25, 2012.

(b) After defendant DEROSA received a $10,000 NWCDC check payable to EHI on or about August 14, 2012, defendant DEROSA caused EHI to issue a $5,000 check to Subcontracting Company 1 on or about August 16, 2012. On or about August 17, 2012, at defendant DEROSA'S instruction, Subcontractor 1 caused a $5,000 check from Subcontracting Company 1 to AAHPC to be issued. Bernard caused that $5,000 check to be deposited into AAHPC's bank account in New Jersey on or about August 20, 2012.

iii. Using another company that was owned by Bernard's Associate as a conduit through which to pass money to Bernard, to include: After DEROSA received a $15,000 NWCDC check payable to EHI on or about August 27, 2012, defendant DEROSA caused EHI to issue a $5,000 check to Bernard's Associate's company, which Bernard's Associate cashed at the direction of Bernard. Thereafter, Bernard received the proceeds of that check from Bernard's Associate.

iv. Bernard intentionally failing to disclose to authorities at the NWCDC material information—to include, that Bernard was receiving these corrupt payments from defendant DEROSA and EHI, and that defendant DEROSA was including the expense of these payments to Bernard in the amounts that defendant DEROSA billed to NWCDC.

C. By giving and agreeing to give these bribes and kickbacks, defendant DEROSA intended to influence and reward Bernard in exchange for the exercise of Bernard's authority and discretion at the NWCDC to provide defendant DEROSA and EHI with favorable

assistance in connection with their business with the NWCDC, including: (i) recommending and otherwise assuring that defendant DEROSA and EHI received and continued to receive work opportunities from the NWCDC; and (ii) ensuring that the NWCDC provided defendant DEROSA and EHI with significant and regular payments from the NWCDC.

D. Defendant DEROSA financed these payments to Bernard, in part, by submitting to NWCDC, from at least in or about 2008 through in or about 2009, at the direction of Bernard, materially misleading invoices that included the expense of the bribes and kickbacks as "professional services." After that time, defendant DEROSA ceased use of this misleading entry and simply included the costs of these bribes and kickbacks in the amount set forth in invoices that defendant DEROSA submitted to the NWCDC or in the payments that defendant DEROSA and EHI received from the NWCDC—such as, for example, defendant DEROSA issuing a $4,000 check from EHI to AAHPC on or about July 19, 2011, a day after the NWCDC had issued a $14,000 payment to EHI.

7. On or about the dates listed below, in Essex 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

GIACOMO "JACK" DEROSA,

Bernard and others knowingly and intentionally transmitted and caused to be transmitted in interstate commerce by means of wire communications certain writings, signs, signals, pictures and sounds, as listed below:

COUNT	DATE	WIRE TRANSMISSION
1	July 15, 2011	Email sent by Bernard to the Executive Director, through an email server located in Virginia, requesting that the Executive Director approve EHI for a certain $20,000 construction job, with a $10,000 deposit to be paid at the start of the work.
2	June 27, 2012	Email sent by defendant DEROSA to Subcontractor 1, through an email server located in Virginia, setting forth estimated costs for a project to be done for the NWCDC.

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

COUNT 3

(Defendant DEROSA Used and Caused the Use of a Facility in Interstate Commerce With Intent to Promote and Facilitate Bribery in Violation of New Jersey Law)

1. Paragraphs 1 to 2 and 6 of Counts 1 and 2 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. On or about the dates listed below, in the District of New Jersey, and elsewhere, defendant

GIACOMO "JACK" DEROSA

and Bernard knowingly and intentionally did use and cause the use of facilities in interstate commerce as listed below with the intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on, of unlawful activity--namely, bribery, contrary to N.J. Stat. Ann. §§ 2C:21-10 and 2C:27-2--and, thereafter, performed and attempted to perform acts to promote, manage, establish, carry on, and facilitate the promotion, management, establishment and carrying on, of the unlawful activity, as set forth below:

COUNT	USE OF INTERSTATE FACILITY	SUBSEQUENT ACTS
3	On or about July 15, 2011, Bernard emailed the Executive Director, through an email server located in Virginia, requesting that the Executive Director approve EHI for a certain $20,000 construction job, with a $10,000 deposit to be paid at the start of the work.	1.On or about July 19, 2011, in West Orange, New Jersey, defendant DEROSA issued a $4,000 check from EHI made payable to AAHPC, approximately one day after NWCDC had issued a $14,000 check to EHI--a check that was $4,000 higher than the $10,000 deposit request contained in the July 15, 2011 email. 2. On or about July 20,2011, in Newark, New Jersey, defendant BERNARD caused the $4,000 check made payable to AAHPC to be deposited into an AAHPC bank account. 3. On or about July 21, 2011,in Newark, New Jersey, defendant BERNARD withdrew $2,500 in cash from the AAHPC account.

In violation of Title 18, United States Code, Section 1952(a)(3) and Section 2.

COUNTS 4 TO 6

(Defendant DEROSA Engaged in Money Laundering of the Proceeds of Specified Unlawful Activities)

1. Paragraphs 1 to 7 of Counts 1 and 2 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. From on or about the dates listed below to on or about the dates listed below, in Essex County, in the District of New Jersey, and elsewhere, defendant

GIACOMO "JACK" DEROSA

and others, knowing that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, and knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the specified unlawful activity, knowingly conducted and attempted to conduct a financial transaction affecting interstate commerce which in fact involved the proceeds of specified unlawful activity, as listed below:

COUNT	DATE	SPECIFIED UNLAWFUL ACTIVITY	TRANSACTIONS
4	June 22, 2012 to June 23, 2012	Wire fraud, 18 U.S.C. § 1343	1. On or about June 22, 2012, defendant DEROSA caused Subcontractor 1 to transfer a check made payable to AAHPC in the amount of $10,000 to defendant DEROSA for delivery to Bernard, which funds EHI had paid to Subcontractor 1 using funds

			received from NWCDC. 2. Between June 22 , 2012 and June 23, 2012, defendant DEROSA caused the $10,000 check written by Subcontractor 1 to AAHPC to be delivered to Bernard in New Jersey. 3. On or about June 23, 2012, in Newark, New Jersey, Bernard deposited the $10,000 check from Subcontractor 1's company into an AAHPC bank account.
5	August 17, 2012 to August 18, 2012	Wire fraud, 18 U.S.C. § 1343	1. On or about August 17, 2012, defendant DEROSA caused Subcontractor 1 to transfer a check made payable to AAHPC in the amount of $5,000 to defendant DEROSA for delivery to Bernard, which funds EHI had paid to Subcontractor 1 using funds received from NWCDC. 2. Between August 17, 2012 and August 18, 2012, defendant DEROSA caused the $5,000 check written by Subcontractor 1 to AAHPC to be delivered to Bernard in New Jersey. 3. On or about August 18, 2012, in East Orange, New Jersey, Bernard deposited the $5,000 check from Subcontractor 1's company into an AAHPC bank account.
6	August 30, 2012 to September 5,	Wire fraud, 18 U.S.C. § 1343	1. On or about August 30, 2012, in West Orange, New Jersey, defendant DEROSA

	2012		transferred and delivered a check to Bernard's Associate from the bank account of EHI in the amount of $5,000 made payable to Bernard's Associate's company, for the benefit of Bernard. 2. On or about August 30, 2012, in South Orange, New Jersey, Bernard's Associate deposited the $5,000 check from EHI into a bank account of Bernard's Associate's company. 3. On or about September 5, 2012, in Newark, New Jersey, Bernard's Associate issued and cashed a check written from the bank account of Bernard's Associate's company in the amount of $5,000. 4. On or about September 5, 2012, in Newark, New Jersey, Bernard's Associate transferred and delivered the $5,000 in cash to Bernard.

In violation of Title 18, United States Code, Section 1956(a)(1)(B)(i) and Section 2.

Forfeiture Allegation No. 1

1. The allegations contained in all paragraphs of Counts 1 to 3 of this Indictment are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 28, United States Code, Section 2461(c).

2. As a result of committing the aforementioned offenses in violation of Title 18, United States Code, Sections 1343 and 1952(a)(3) as alleged in Counts 1 to 3 of this Indictment, defendant GIACOMO "JACK" DEROSA 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 offenses, totaling between $200,000 and $360,000.

3. If any of the above-described forfeitable property, as a result of any act or omission of defendant GIACOMO "JACK" DEROSA:

(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 DEROSA up to the value of the above forfeitable property.

Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461.

Forfeiture Allegation No. 2

1. The allegations contained in all paragraphs of Counts 4 to 6 of this Indictment are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 982(a)(1).

2. As a result of committing the aforementioned offenses in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i) as alleged in Counts 4 to 6 of this Indictment, defendant GIACOMO "JACK" DEROSA shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any and all property, real and personal, involved in those offenses, including but not limited to, a sum of money equal to at least $20,000 in United States currency.

3. If an of the above-described forfeitable property, as a result of any act of omission of defendant GIACOMO "JACK" DEROSA:

a. Cannot be located upon the exercise of due diligence;
b. Has been transferred or sold to or deposited with a third party;
c. Has been placed beyond the jurisdiction of the court;
d. Has been substantially diminished in value; or
e. Has been comingled 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 DEROSA, up

to the value of the above forfeitable property.

Pursuant to Title 18, United States Code, Section 982(a)(1).

A TRUE BILL

_____

Paul J. Fishman/rah

PAUL J. FISHMAN
UNITED STATES ATTORNEY

CASE NUMBER: _____

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

GIACOMO "JACK" DEROSA

INDICTMENT FOR

18 U.S.C. §§ 981(a)(1)(C), 982(a)(1),
1343, 1346, 1952(a)(3),
1956(a)(1)(B)(i), and 2; and
28 U.S.C. § 2461

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