

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 15-
 :
 v. : 18 U.S.C. §§ 666(a)(1)(B),
 : 981(a)(1)(C), 1951(a) and § 2;
 GERARD N. PICA and : 28 U.S.C. § 2461
 JAMES B. CASTALDO

INDICTMENT

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

COUNT 1

(Conspiracy to Commit Extortion Under Color of Official Right
Affecting Interstate Commerce)

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

A. Defendant GERARD N. PICA (defendant "PICA") was employed by the Hudson County Improvement Authority (the "HCIA") as an environmental scientist receiving an annual salary of approximately \$34,941.66. Defendant PICA also owned a consulting company, GNPATP LLC ("GNPATP"), that purported to provide consulting services with respect to the transportation of recycled materials, among other services. Defendant PICA also co-owned PDM Environmental Services Inc. ("PDM"), a company that purported to provide environmental consulting services.

B. Defendant JAMES B. CASTALDO ("defendant CASTALDO")

was an associate of defendant PICA and was involved in construction and environmental remediation businesses in New Jersey. Defendant CASTALDO also was the owner of Renda Enterprises LLC ("RENDA"), a company doing business in interstate commerce that purported to provide transportation and broker services to entities that transported or received recycled waste and other materials.

C. The HCIA was a local government agency that exercised regulatory authority over solid waste management, recycling, affordable housing, and transportation management issues in Hudson County, New Jersey.

D. There was an employee of the HCIA ("Employee 1").

E. There was an individual ("Individual 1") who was an associate of defendant PICA and was the owner of a full service environmental consulting firm which did business throughout the northeastern part of the United States.

F. There was another individual ("Individual 2") who associated with defendants PICA and CASTALDO.

2. At least as early as in or about 2006, the HCIA was overseeing the construction of a nine-hole public golf course located at Lincoln Park West in Jersey City, New Jersey (the "LPW project"). As part of its construction, the LPW project required several hundred thousand cubic yards of soil and fill material (a percentage of which would constitute residential soil with the remaining portion

constituting non-residential soil, the latter being soil that has concentrations of contaminants above the standards required for residential soil) to be incorporated into the site, as well as thousands of cubic yards of crushed stone to serve as road bedding during the construction of the golf course. As the overseer of the LPW project, one of the functions of the HCIA - either directly or through a designated contractor - was to serve as a gatekeeper for any material to be delivered to the LPW site. As such, it was the HCIA's responsibility to solicit, evaluate and decide which contractors' proposals to accept for the provision of soil and fill material for the LPW project. Within the HCIA, Employee 1 had authority and discretion over matters involving the selection of, and the administration of the conduct of, contractors seeking to deliver soil and fill material to the LPW project site. Employee 1 also had authority and discretion to grant approval to contractors to provide soil and fill material for the LPW project before the completion of the public bidding process at the conclusion of which such authority would be transferred to a designated contractor.

The Conspiracy

3. From at least in or about early 2011 to in or about November 2011, in the District of New Jersey and elsewhere, defendants

GERARD N. PICA and
JAMES B. CASTALDO

did knowingly and intentionally conspire and agree with each other and others to obstruct, delay and affect interstate commerce by extortion under color of official right-- that is, agreeing to obtain payments from Individual 1, with Individual 1's consent, in exchange for defendant PICA's and Employee 1's official assistance, action and influence in HCIA matters.

Object of the Conspiracy

4. The object of the conspiracy was for defendant PICA and defendant CASTALDO to solicit and accept corrupt payments from Individual 1, which were to be shared among defendant PICA, defendant CASTALDO and Employee 1, according to defendant PICA and defendant CASTALDO, in exchange for defendant PICA and Employee 1 providing official assistance, action and influence in HCIA matters that were favorable to Individual 1's company, which activity had at least a potential effect on interstate commerce.

5. It was a part of the conspiracy that:

(A) In exchange for defendant PICA and Employee 1 using their authority and influence to ensure that Individual 1 and Individual 1's company received approval to provide soil and fill material for the LPW project, defendant PICA, defendant CASTALDO and Employee 1 each were to receive \$1 from Individual 1 for every ton of soil and fill material brought to the LPW project site by Individual 1. Specifically, in or about early 2011, in South Amboy, New Jersey,

defendant PICA and defendant CASTALDO met with Individual 1. At the meeting, defendant PICA informed Individual 1 that: defendant PICA's friend, Employee 1, was an employee at the HCIA; defendant PICA was a consultant for the HCIA; and defendant PICA wanted defendant CASTALDO to make money off of the deal to provide soil and fill material for the LPW project. Defendant PICA further informed Individual 1 that defendant PICA spoke to Employee 1 every night and that when Individual 1 put in a bid for the LPW project, defendant PICA would speak to Employee 1 and make sure that Individual 1's company was approved to provide soil and fill material in connection with the LPW project. Defendant CASTALDO was informed by Individual 1 that Individual 1 already was working on an unrelated project pursuant to which Individual 1 was required to pay \$7 per ton to dump soil and fill material at a separate location in New Jersey. Thus, defendant CASTALDO was informed by Individual 1 that Individual 1 needed to pay less than \$7 per ton to deposit soil and fill material at the LPW project site to make it financially worthwhile to change dumping locations. Defendant CASTALDO responded that, in addition to whatever Individual 1 ended up paying the HCIA for permission to supply the LPW project site with soil and fill material, three persons would need to be paid by Individual 1 in exchange for the ability to dump soil and fill material at the LPW project. Defendant CASTALDO told Individual 1 that defendant PICA, Employee 1 (referred

to by defendant CASTALDO in this meeting as "Jerry's friend"), and defendant CASTALDO each needed \$1 per ton. Defendant CASTALDO thereafter was informed by Individual 1 that if Individual 1 had to pay \$3 combined per ton to defendant PICA, defendant CASTALDO and Employee 1, then Individual 1 would only be able to pay the HCIA \$2 per ton for the right to deliver soil and fill material to the LPW project site. Shortly after this meeting, Individual 1 agreed to this corrupt arrangement.

(B) To conceal this corrupt arrangement, defendant CASTALDO, instead of defendant PICA, primarily discussed these payments with Individual 1.

(C) In or about July 2011, in Brooklyn, New York, defendant CASTALDO accepted approximately \$4,853 as payment from Individual 1 after Individual 1's company delivered approximately 1,438 cubic yards of soil and fill material to the LPW project site. In or about July 2011, Individual 2, on behalf of defendant CASTALDO, accepted a check from Individual 1 payable to RENDA for approximately \$3,758 drawn on Individual 1's company's account after Individual 1 delivered approximately 1,221 cubic yards of soil and fill material to the LPW project site. These two payments were the agreed-upon payments to defendant PICA, defendant CASTALDO, and Employee 1 of approximately \$3 per ton of soil and fill material delivered to the LPW project site by Individual 1's company.

(D) Sometime in early to mid-2011, in a telephone conversation between defendant PICA and Individual 1, defendant PICA asked Individual 1 whether Individual 1 had made any payments to defendant CASTALDO pursuant to the corrupt arrangement and Individual 1 confirmed that Individual 1 had already provided defendant CASTALDO with a payment.

(E) On or about September 7, 2011, during a telephone conversation, defendant PICA learned from Individual 2 that defendant CASTALDO had received payments from Individual 1 as part of the corrupt arrangement, but had kept all of the money for himself. Defendant PICA indicated that he had to answer to Employee 1 (referred to by defendant PICA in this recorded conversation as defendant PICA's "partner") and defendant CASTALDO was making defendant PICA "look like an asshole" because defendant PICA could not provide his "partner" with a share of the payments.

(F) On or about October 26, 2011, during a meeting between defendant PICA and Individual 2 in New Jersey, defendant PICA indicated to Individual 2 that he had recently met with Individual 1 and discussed the payments that defendant CASTALDO had received from Individual 1 regarding the LPW project. Defendant PICA told Individual 2 that, when he spoke with Individual 1, defendant PICA questioned Individual 1 about why the payments provided to defendant CASTALDO totaled approximately \$7,000 and not \$9,000, which

defendant PICA believed to be the more accurate amount owed to them based on the arrangement. Defendant PICA then told Individual 2 that Individual 1 explained that the payments that defendant CASTALDO had received were reduced because of additional fees that Individual 1 was charged by one of the LPW project site managers. Defendant PICA told Individual 2 that he responded to Individual 1 by telling Individual 1 that Individual 1 never informed him of these fees and that the people that defendant PICA needed to keep informed could have done something about the fees. Defendant PICA later informed Individual 2 that he reminded Individual 1 that the money was supposed to be split three ways among defendant CASTALDO, defendant PICA and Employee 1 (who defendant PICA referred to in this conversation as his "benefactor").

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

COUNT 2

(Extortion Under Color of Official Right Affecting
Interstate Commerce)

1. Paragraphs 1, 2 and 5 of Count 1 of this Indictment are hereby repeated and realleged as if set forth in full herein.

2. From at least in or about early 2011 to in or about November 2011, in the District of New Jersey and elsewhere, defendants

GERARD N. PICA and
JAMES B. CASTALDO

did knowingly and intentionally obstruct, delay and affect interstate commerce by extortion under color of official right-- that is, agreeing to obtain payments from Individual 1, with Individual 1's consent, in exchange for defendant PICA's and Employee 1's official assistance, action and influence in HCIA matters.

In violation of Title 18, United States Code, Section 1951(a) and Section 2.

COUNT 3

(Accepting and Agreeing to Accept Corrupt Payments)

1. Paragraphs 1, 2 and 5 of Count 1 of this Indictment are hereby repeated and realleged as if set forth in full herein.

2. At all times relevant to Count 3 of this Indictment, the HCIA received in excess of \$10,000 in federal funds assistance during the relevant one-year period.

3. From at least in or about early 2011 to in or about November 2011, in the District of New Jersey and elsewhere, defendants

GERARD N. PICA and
JAMES B. CASTALDO

did knowingly and corruptly solicit and demand for the benefit of persons, and accept and agree to accept, monetary payments from Individual 1, intending for defendant PICA and Employee 1 to be influenced and rewarded in connection with a business, transaction, and series of transactions of the HCIA, involving things of value of \$5,000 and more.

In violation of Title 18, United States Code, Section 666(a)(1)(B) and Section 2.

COUNT 4

(Conspiracy to Commit Extortion Under Color of Official Right
Affecting Interstate Commerce)

1. Paragraphs 1 and 2 of Count 1 of this Indictment are hereby repeated and realleged as if set forth in full herein.

2. There was an owner ("Individual 3") of a recycling company ("Individual 3's Company") based in Bayonne, New Jersey, which was involved in the business of interstate and intrastate collection and disposal of Class B recyclable material, i.e., materials that include debris from demolition and construction work which could be used to create crushed stone ("Class B material"). Individual 3 was an associate of defendant PICA and defendant CASTALDO.

The Conspiracy

3. From at least in or about August 2010 to in or about November 2011, in the District of New Jersey and elsewhere, defendants

GERARD N. PICA and
JAMES B. CASTALDO

did knowingly and intentionally conspire and agree with each other and others to obstruct, delay and affect interstate commerce by extortion under color of official right-- that is, agreeing to obtain payments from Individual 3, with Individual 3's consent, in exchange for defendant PICA's and Employee 1's official assistance, action and influence in HCIA matters.

Object of the Conspiracy

4. The object of the conspiracy was for defendant PICA and defendant CASTALDO to solicit and accept corrupt payments from Individual 3, which were to be shared among defendant PICA, defendant CASTALDO and Employee 1, according to defendant PICA, in exchange for defendant PICA and Employee 1 providing official assistance, action and influence in HCIA matters that were favorable to Individual 3's company, which activity had at least a potential effect on interstate commerce.

5. It was a part of the conspiracy that:

(A) In exchange for defendant PICA and Employee 1 using their authority and influence to ensure that Individual 3 and Individual 3's Company received approval to provide Class B material - which would be comprised of crushed stone to serve as road bedding during the construction of the LPW project - defendant CASTALDO would receive \$2 from Individual 3 for every cubic yard of class B material delivered to the LPW site by Individual 3's Company, and defendant CASTALDO would then divide the \$2 per cubic yard payment into three equal parts for defendant PICA, defendant CASTALDO and Employee 1. Specifically, in or about August 2010, on behalf of the HCIA, a letter dated September 3, 2010 was sent to Individual 3's Company giving approval to begin the delivery of up to approximately 40,000 cubic yards of class B material to the LPW Project site.

(B) From in or about August 2010 to in or about November 2010, Individual 3's Company delivered approximately 38,336 cubic yards of class B material to the LPW Project site. Based on the corrupt arrangement, defendant CASTALDO, defendant PICA, and Employee 1 were to have received approximately \$76,672 for permitting Individual 3's Company to deliver this quantity of class B material to the LPW Project site.

(C) In or about November 2010, defendant PICA faxed a ledger sheet to defendant CASTALDO in Rumson, New Jersey which showed that defendant CASTALDO, defendant PICA and Employee 1 were owed \$76,672 by Individual 3 because Individual 3's Company had provided the LPW Project site with approximately 38,336 cubic yards of Class B material by that time. By in or about December 2010, Individual 3's Company had delivered approximately 41,000 cubic yards of class B material to the LPW Project site, which caused the amount that Individual 3 owed defendant CASTALDO, defendant PICA and Employee 1 under the corrupt agreement to increase to approximately \$82,000.

(D) On or about December 24, 2010, in Bayonne, New Jersey, defendant CASTALDO received a \$10,000 check from Individual 3's Company made payable to RENDA as partial payment of the money that defendant CASTALDO, defendant PICA and Employee 1 were to receive pursuant to the corrupt arrangement. A few days after receiving this \$10,000 payment from Individual 3, defendant CASTALDO provided

defendant PICA with approximately \$6,600 in cash, which represented defendant PICA's and Employee 1's share of the \$10,000 that defendant CASTALDO received from Individual 3.

(E) In or about January 2011, defendant CASTALDO, defendant PICA and Individual 3 agreed that defendant CASTALDO would receive weekly payments of \$2,000 from Individual 3 in exchange for defendant PICA and Employee 1's continued official action and influence over the HCIA which resulted in Individual 3's Company being permitted to provide class B material to the LPW project site. These payments were made by check issued from Individual 3's Company and made payable to RENDA. From on or about February 25, 2011 to on or about June 27, 2011, defendant CASTALDO, through RENDA, received five \$2,000 checks issued from Individual 3's company made payable to RENDA, as well as two separate checks for \$8,750 and individual checks for \$6,750 and \$10,000 issued by Individual 3's Company, which also were payable to RENDA. From this total, as well as the \$10,000 check received by defendant CASTALDO on or about December 24, 2010, the HCIA received \$9,000 in the form of two separate checks of \$4,500 from RENDA with the remaining \$45,250 to be divided among defendant PICA, defendant CASTALDO and Employee 1.

(F) In or about April 2011, defendant PICA provided defendant

CASTALDO with a fictitious GNPATP invoice to RENDA for \$8,000 representing defendant PICA's and Employee 1's share of \$12,000 that defendant PICA believed Individual 3 had provided defendant CASTALDO since the previous \$10,000 payment made by Individual 3 to defendant CASTALDO on or about December 24, 2010. In response to this GNPATP invoice, on or about April 20, 2011, defendant CASTALDO provided defendant PICA with a \$6,000 check from RENDA made payable to GNPATP. Defendant CASTALDO explained to defendant PICA that he subtracted \$1,000 from the \$10,000 given to him by Individual 3 purportedly for the gas expenses that he had incurred.

(G) On or about May 10, 2011, due to defendant CASTALDO's inability to obtain the additional payments from Individual 3 for the agreed-upon amount of money for using defendant PICA's and Employee 1's official action and influence over the HCIA to allow Individual 3 to provide class B material to the LPW Project site, Employee 1 caused a letter from the HCIA to be mailed from Jersey City, New Jersey to defendant CASTALDO terminating HCIA's approval of Individual 3's company to provide class B material to the LPW Project site.

(H) On or about September 7, 2011, defendant PICA engaged in a conversation with Individual 2 over the telephone. During this conversation, defendant PICA complained that Individual 3 still owed defendant PICA and Employee 1 (who defendant PICA referred to as his

"partner") "62" thousand dollars, that defendant PICA had at his residence a "piece of paper where it shows 62, and how the accounting got there," and that he would show it to Individual 2.

(I) On or about September 29, 2011, during a meeting between defendant PICA and Individual 2 in Middletown, New Jersey, defendant PICA showed Individual 2 defendant PICA's records which outlined the amount of money that Individual 3 still owed defendant PICA and Employee 1 based on the amount of loads of class B material delivered to the LPW project site. Additionally, defendant PICA explained that under the original arrangement involving defendant PICA, defendant CASTALDO, Employee 1 and Individual 3, Individual 3 was supposed to pay \$3 instead of \$2 per cubic yard of class B material brought to the LPW project site. Defendant PICA further told Individual 2 that defendant PICA received \$6,600 from defendant CASTALDO out of the first \$10,000 that defendant CASTALDO had received from Individual 3. Defendant PICA also told Individual 2 that defendant PICA had received \$6,000 from the second \$10,000 payment that defendant CASTALDO had received from Individual 3 and that defendant PICA had kept \$3,000 for himself while the other \$3,000 had been for Employee 1. Defendant PICA further informed Individual 2 that part of the scheme involved defendant PICA sending RENDA fictitious invoices totaling defendant PICA's and Employee 1's share of the money that defendant CASTALDO had received from Individual

3. During this meeting, defendant PICA further informed Individual 2 that four or five years earlier defendant PICA had lent Employee 1 approximately \$21,000, and Employee 1 had instructed defendant PICA to use Employee 1's share of the payments from Individual 3 to pay down the outstanding balance of the loan that defendant PICA previously had provided to Employee 1.

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

COUNT 5

(Extortion Under Color of Official Right Affecting
Interstate Commerce)

1. Paragraphs 1, 2 and 5 of Count 4 of this Indictment are hereby repeated and realleged as if set forth in full herein.

2. From at least in or about August 2010 to in or about November 2011, in the District of New Jersey and elsewhere, defendants

GERARD N. PICA and
JAMES B. CASTALDO

did knowingly and intentionally obstruct, delay and affect interstate commerce by extortion under color of official right-- that is, agreeing to obtain payments from Individual 3, with Individual 3's consent, in exchange for defendant PICA's and Employee 1's official assistance, action and influence in HCIA matters.

In violation of Title 18, United States Code, Section 1951(a) and Section 2.

COUNT 6

(Accepting and Agreeing to Accept Corrupt Payments)

1. Paragraphs 1, 2 and 5 of Count 4 of this Indictment are hereby repeated and realleged as if set forth in full herein.

2. At all times relevant to Count 6 of this Indictment, the HCIA received in excess of \$10,000 in federal funds assistance during the relevant one-year period.

3. From at least in or about August 2010 to in or about November 2011, in the District of New Jersey and elsewhere, defendants

GERARD N. PICA and
JAMES B. CASTALDO

did knowingly and corruptly solicit and demand for the benefit of persons, and accept and agree to accept, monetary payments from Individual 3, intending for defendant PICA and Employee 1 to be influenced and rewarded in connection with a business, transaction, and series of transactions of the HCIA, involving things of value of \$5,000 and more.

In violation of Title 18, United States Code, Section 666(a)(1)(B) and Section 2.

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) charged in Counts 1 to 6 of this Indictment, defendants GERARD N. PICA and JAMES B. CASTALDO 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 constitutes and is derived from proceeds traceable to the commission of the above offenses, including, but not limited to a money judgment in the amount of \$53,861 in United States currency, in that such sum constitutes and is derived, directly and indirectly, from proceeds traceable to the commission of the offenses for which defendants PICA and CASTALDO share joint and several liability.

If any of the above-described forfeitable property, as a result of any act or omission of defendants PICA and CASTALDO:

- (1) cannot be located upon 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;

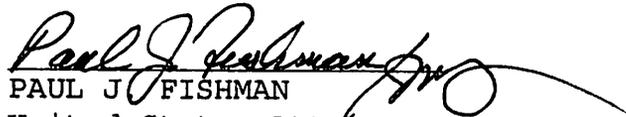
it is the intent of the United States, pursuant to 21 U.S.C. § 853(p),

to seek forfeiture of any other property of defendants PICA and CASTALDO 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.

A TRUE BILL

FOREPERSON


PAUL J. FISHMAN
United States Attorney