UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Criminal No. 14-
v.	:	
	:	18 U.S.C. § 371
JOHNNY GARCES	:	
	:	
	:	I N F O R M A T I O N

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:

a. Defendant Johnny Garces ("defendant GARCES") was an Inspector at the Union City, New Jersey Community Development Agency ("UCCDA"). Defendant GARCES was an agent of a local government agency pursuant to 18 U.S.C. § 666(d)(1).

b. The UCCDA was a government agency that received funds from the United States Department of Housing and Urban Development ("HUD") well in excess of $10,000 per year from in or about 2007 to at least in or about 2011 under a federal program that provided a grant to improve Union City through a variety of means, including the rehabilitation of residential properties and the repair of sidewalks.

c. There was an individual who owned a construction company located in Union City, New Jersey ("Owner 1").

d. There was an individual who owned a paving contracting company located in Jersey City, New Jersey ("Bidder 1").

e. There was an individual who owned a general

contracting company located in the City of Guttenberg, New Jersey ("Owner 2").

f. There was an individual who owned a paving contracting company located in Weehawken, New Jersey ("Bidder 2").

g. There was an individual who owned a construction company in Jersey City, New Jersey ("Bidder 3").

h. There was an individual who owned a renovation company located in North Bergen, New Jersey ("Owner 3").

The Conspiracy

2. Between in or about April 2007 and in or about July 2011, in Hudson County, in the District of New Jersey and elsewhere, defendant

JOHNNY GARCES

did knowingly and intentionally conspire and agree with others, including Owner 1, Owner 2 and Owner 3, to obtain by fraud, otherwise without authority knowingly convert to the use of others, and intentionally misapply, funds owned by and under the care, custody and control of the UCCDA, with a value of more than $400,000, but not more than $1,000,000, contrary to Title 18, United States Code, Section 666(a)(1)(A).

3. It was the object of the conspiracy that defendant GARCES and others, including Owner 1, Owner 2 and Owner 3, would collude to submit falsely and materially misleading bids to rig the process for selecting contractors to obtain residential rehabilitation

projects and sidewalk replacement projects from the UCCDA in favor of particular contractors, including, on many occasions, the respective companies of Owner 1 and Owner 2.

4. It was part of the conspiracy that:

A. Between in or about April 2007 and in or about July 2011, defendant GARCES caused Owner 1 (i) on many occasions to obtain from Bidder 1 bids from Bidder 1's company that were higher than Owner 1's own bids; and (ii) on other occasions, to obtain from Bidder 1 blank bid forms for Bidder 1's company that Owner 1 later completed, listing bid amounts that were higher than Owner 1's bids for the same work. Under both of these scenarios, Owner 1 would then would submit Bidder 1's company's phony bids and Owner 1's own bids to the UCCDA, oftentimes directly to defendant GARCES, in order to obtain sidewalk replacement projects, and ultimately, HUD grant funds, from the UCCDA for the completion of the sidewalk replacement projects.

B. Between in or about April 2007 and in or about July 2011, defendant GARCES also caused Owner 1 to provide him with a blank bid form for Bidder 1's company that on numerous occasions defendant GARCES later completed on his own, listing bid amounts that were higher than those of Bidder 1's company's competitors in order to secure HUD-funded sidewalk replacement and residential improvement projects for certain contractors, including Owner 1 and Owner 1's company, from the UCCDA.

C. Between in or about April 2007 and in or about July 2011, at the request of defendant GARCES, Owner 1 provided defendant GARCES with bids for amounts higher than Owner 1's competitors for certain projects that defendant GARCES had predetermined that Owner 1 and Owner 1's company would not win in order to ensure that other contractors secured these projects.

D. Between in or about April 2007 and in or about July 2011, defendant GARCES requested that Owner 1 complete work, beyond the work described in Owner 1's winning bids and approved by the UCCDA for certain residential rehabilitation projects and sidewalk projects, and then instructed Owner 1 to increase the prices listed in Owner 1's invoices as needed, but to describe the work completed in the invoices as only the work listed in Owner 1's bids.

E. Between in or about April 2007 and in or about July 2011, defendant GARCES caused Owner 2 to request from Bidder 2 and Bidder 3 numerous bids from Bidder 2's and Bidder 3's companies that were higher than Owner 2's company's bids for residential rehabilitation projects and sidewalk replacement projects. Owner 2 then submitted Bidder 2's company's bids, Bidder 3's company's bids, and Owner 2's bids to the UCCDA, oftentimes directly to GARCES, in order to improperly obtain home improvement projects and sidewalk replacement projects, and ultimately, HUD grant funds from the UCCDA for Owner 2's company for the completion of those projects.

F. Between in or about April 2007 and in or about July 2011, defendant GARCES fabricated bids from numerous fictitious companies (the "Fictitious Companies"), listing bid amounts that were higher than those of the Fictitious Companies' competitors in order to secure HUD-funded sidewalk replacement and residential improvement projects for certain contractors, including Owner 1's and Owner 2's companies, from the UCCDA.

G. In or about June 2010, defendant GARCES caused Owner 3 to provide him with a blank bid form for Owner 3's company that on numerous occasions defendant GARCES later copied and completed on his own, listing bid amounts that were higher than those of Owner 3's company's competitors in order to secure HUD-funded sidewalk replacement and other residential improvement projects for certain contractors from the UCCDA.

Overt Acts

5. In furtherance of the conspiracy and to effectuate the objects thereof, defendant GARCES and his coconspirators committed the following overt acts in the District of New Jersey and elsewhere:

a. On or about June 15, 2010, defendant GARCES completed a phony bid in the amount of $18,100 purporting to be from Bidder 1's company for a sidewalk replacement project located on Bergenline Avenue in Union City.

b. On or about June 15, 2010, defendant GARCES completed a phony bid in the amount of $11,300 purporting to be from Owner 3's company for a sidewalk replacement project located on 18th Street in Union City.

c. On or about June 16, 2010, defendant GARCES caused Owner 2 to complete a bid in the amount of $4,660 for a sidewalk replacement project located on Bergenline Avenue in Union City, as well as caused Owner 2 to cause Bidder 2, on or about June 17, 2010, to complete a losing bid in the amount of $4,900 for that same sidewalk replacement project.

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

Paul J. Fishman/rah

PAUL J. FISHMAN
UNITED STATES ATTORNEY

CASE NUMBER: _____

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INFORMATION FOR

Title 18, United States Code, Section 371

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