

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>CRIMINAL NO.</b> _____
<b>v.</b>	<b>:</b>	<b>DATE FILED:</b> _____
<b>FRANCISCO ACOSTA</b>	<b>:</b>	<b>VIOLATION:</b>
		<b>18 U.S.C. § 371 (Conspiracy to commit</b>
	<b>:</b>	<b>bribery offenses - 1 count)</b>

**INFORMATION**

**COUNT ONE**

**THE UNITED STATES ATTORNEY CHARGES THAT:**

At all times material to this information:

1. The City Council of Reading, Pennsylvania ("City Council") was the unicameral legislative body for the City of Reading, comprising seven members, each of whom was elected to a four-year term. Reading's Home Rule Charter allowed City Council to legislate by passing ordinances to be approved by Reading's Mayor, including new ordinances which would amend or repeal prior ordinances.

2. Except for emergency legislation, the Reading Home Rule Charter required a waiting period of at least 14 days between the introduction and passage of any ordinance by City Council and a waiting period of at least 10 days between the Mayor's approving a passed ordinance and the law going into effect.

3. Defendant FRANCISCO ACOSTA was a member of City Council since 2010, and President of City Council since 2012. As City Council President, defendant ACOSTA had the effective power to schedule agenda items for City Council, including votes on proposed

ordinances, by notifying the City Clerk in advance of City Council meetings.

4. Public Official #1, known to the United States Attorney, was a public official who had the power to sign into law ordinances that had been passed by City Council. Public Official #1 also was a candidate in the Democratic Party's primary election, scheduled for May 19, 2015.

5. Public Official #2, known to the United States Attorney, was a public official and a candidate in the Democratic Party's primary election, scheduled for May 19, 2015.

### **The Reading Code of Ethics**

6. As public officials in Reading, defendant FRANCISCO ACOSTA, Public Official #1, and Public Official #2 each had fiduciary duties to the City of Reading and its citizens. These fiduciary duties, defined in part by Reading's Code of Ethics ("the Code of Ethics") and the Pennsylvania Public Official and Employee Ethics Act, prohibited public officials in Reading from seeking improper influence, accepting improper influence, and engaging in bribery, kickbacks, or other conduct constituting a conflict of interest.

7. To limit the influence of money on candidates seeking public office in Reading, Section 1012 of the Code of Ethics established certain limits on campaign contributions and certain reporting requirements for candidates. Section 1012 established, *inter alia*, the following annual limits on campaign contributions to any particular political candidate:

- a) a \$2,600 limit on contributions from an individual;
- b) a \$10,000 limit on contributions from an organization; and
- c) an aggregate limit on contributions of \$250,000 for any candidate for Mayor.

8. To limit the influence of money on public officials in Reading, Section 1006(H) of the Code of Ethics prohibited, *inter alia*, the awarding of a "no-bid contract" – that is, one which was "not awarded or entered into pursuant to an open and public process" – to any

recipient who had made a recent campaign contribution to a Reading public official in excess of the contribution limitations set forth in Section 1012.

9. Between approximately January 2015 and May 2015, Public Official #1 received campaign contributions which Public Official #1 believed to be prohibited by the Code of Ethics. Public Official #1 believed that his best chance of winning re-election would require keeping these contributions and raising additional funds which would be prohibited by the Code of Ethics.

#### **The Scheme to Defraud**

10. From approximately March 2015 to on or about May 11, 2015, Public Official #1 and others, known to the United States Attorney, knowingly devised and intended to devise a scheme and artifice to defraud and deprive the City of Reading and its citizens of the honest services of several public officials through a bribery and kickback scheme, wherein Public Official #1, via intermediaries, offered to provide campaign contributions to members of City Council, including defendant FRANCISCO ACOSTA, to ensure that City Council repealed portions of the Code of Ethics, in accord with Public Official #1's preferences, prior to the Democratic Party's primary election, scheduled for May 19, 2015.

#### **The Defendant's Participation in the Conspiracy**

11. From on or about March 30, 2015 to on or about April 22, 2015, in Reading, in the Eastern District of Pennsylvania, defendant

#### **FRANCISCO ACOSTA,**

together with Public Official #1 and others, known to the United States Attorney, conspired and agreed to commit bribery offenses in violation of federal criminal law, that is:

- a) to knowingly devise a scheme and artifice to defraud and deprive the City of

Reading and its citizens of their right to the honest services of defendant FRANCISCO ACOSTA, Public Official #1, and others through bribery and involving material misrepresentation, false statement, false pretense, and concealment of fact, and to use interstate wire communications to further the scheme to defraud, in violation of Title 18, United States Code, Sections 1343 and 1346; and

- b) to use facilities in interstate and foreign commerce, that is telephones and the Internet, with the intent to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment, and carrying on, of an unlawful activity, that is, Bribery in Official and Political Matters, in violation of Title 18 Pa. Cons. Stat. Ann. § 4701, and to thereafter perform and attempt to perform acts to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment, and carrying on of the unlawful activity, in violation of Title 18, United States Code, Section 1952(a)(3).

### **MANNER AND MEANS**

12. Public Official #1, defendant FRANCISCO ACOSTA, and others, known to the United States Attorney, agreed that, in exchange for campaign funding for Public Official #2, defendant ACOSTA would use his official position as City Council President to introduce and obtain passage of legislation, to be approved by Public Official #1, repealing portions of the Code of Ethics in accord with Public Official #1's preferences ("the repeal bill"), all prior to the Democratic Party's primary election on May 19, 2015.

13. Public Official #1, defendant FRANCISCO ACOSTA, and others, known to the United States Attorney, agreed that the repeal bill would repeal Section 1012 in its

entirety, thereby eliminating all of the Ethics Code's reporting requirements and restrictions on campaign contributions and nullifying Section 1006(H)'s prohibition on awarding "no-bid contracts" to certain donors.

14. Public Official #1 and others, known to the United States Attorney, agreed that Public Official #1 would offer defendant FRANCISCO ACOSTA a "loan" of \$1,800 to the campaign committee of Public Official #2 which would be "forgiven" upon defendant ACOSTA successfully orchestrating the passage of the repeal bill.

15. Public Official #1 and others, known to the United States Attorney, agreed that Public Official #1 would offer defendant FRANCISCO ACOSTA additional funding for the campaign committee of Public Official #2 as a reward for defendant ACOSTA successfully orchestrating the passage of the repeal bill.

16. To conceal his involvement in the conspiracy, Public Official #1 sought to finance the campaign contributions to Public Official #2 with funding from third parties.

17. Public Official #1, defendant FRANCISCO ACOSTA, and others, known to the United States Attorney, used facilities of interstate of commerce, that is, telephones and the Internet, in order to discuss, promote, manage, establish, carry on, and otherwise facilitate the conspiracy.

### **OVERT ACTS**

In furtherance of this conspiracy, Public Official #1 and defendant FRANCISCO ACOSTA committed the following overt acts:

1. On or about April 10, 2015, Public Official #1 used a cellular telephone to send defendant FRANCISCO ACOSTA a text message inquiring whether defendant ACOSTA

had received certain information that would impact the passage of the repeal bill.

2. On or about April 10, 2015, Public Official #1 and others, known to the United States Attorney, caused a check for \$1,800, payable to the campaign of Public Official #2 (“the bribe check”) to be delivered to defendant FRANCISCO ACOSTA. Defendant ACOSTA then took possession of the bribe check and agreed that, in order to avoid scrutiny of his agreement with Public Official #1, neither defendant ACOSTA nor Public Official #2 would deposit the bribe check until a later date.

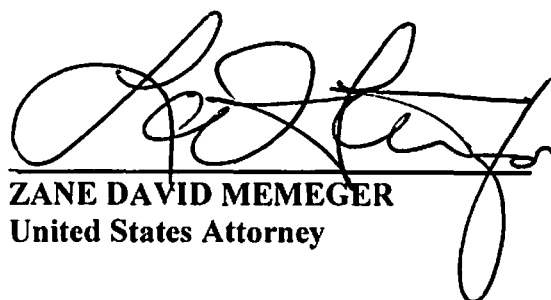
3. On or about April 10, 2015, defendant FRANCISCO ACOSTA used an Internet e-mail account, serviced by Yahoo!, to cause to be sent to a member of Public Official #1’s government staff and a member of Public Official #1’s campaign team, both known to the United States Attorney, a draft of the repeal bill that defendant ACOSTA intended to introduce in his official capacity as City Council President.

4. On or about April 13, 2015, defendant FRANCISCO ACOSTA, acting in his capacity as City Council President, introduced the repeal bill, a proposed ordinance which would immediately repeal “Chapter 5 Administrative Code, Part 10, Code of Ethics, Section 1012, Campaign Contributions and Reporting Requirements. . . [and] [a]ll ordinances or parts of ordinances which are inconsistent herewith.”

5. Between approximately April 10, 2015 and April 21, 2015, defendant FRANCISCO ACOSTA attempted to persuade other members of City Council to pass the repeal bill before the Democratic primary election by asserting that he was motivated solely by the best financial interests of Reading and by concealing that he had received the bribe check when, in fact, as defendant ACOSTA well knew, he was fulfilling his end of a corrupt bargain with Public Official #1.

6. On or about April 21, 2015, in order to conceal and continue the conspiracy, defendant FRANCISCO ACOSTA made materially false statements to agents of the Federal Bureau of Investigation who were investigating the bribery scheme. Defendant ACOSTA falsely denied that he had accepted a bribery offer from Public Official #1 or his surrogates and falsely denied that he had ever possessed or received the bribe check when in fact, as defendant ACOSTA well knew, he had previously agreed to Public Official #1's bribery offer and still had possession of the bribe check at the time of his false statements to the agents.

All in violation of Title 18, United States Code, Section 371.



**ZANE DAVID MEMEGER**  
United States Attorney