

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

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATE FILED: _____
JAMES DAVIS	:	VIOLATIONS:
JOHN GREEN	:	18 U.S.C. § 371 (conspiracy - 1 count)
	:	18 U.S.C. §§ 1346, 1343, 1349 (honest services wire fraud - 4 counts)
	:	26 U.S.C. § 7206(1) (filing a false federal tax return - 2 counts)
	:	26 U.S.C. § 7203 (willful failure to file tax return - 3 counts)
	:	Notice of Forfeiture

SUPERSEDING INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

Introduction

At all times material to this superseding indictment:

Relevant Persons and Entities

1. Defendant JOHN GREEN was the elected Sheriff for the Office of the Sheriff, City and County of Philadelphia (“PSO”), located at 100 S. Broad Street, 5th Floor, Philadelphia, Pennsylvania, from in or around 1988 through in or around December 2010. As Sheriff, defendant GREEN was responsible for the administration and execution of all duties of the PSO.

2. Defendant JAMES DAVIS and James Cassell were the owners and operators of several companies that were engaged to perform work on behalf of defendant JOHN

GREEN and the PSO. Defendant DAVIS and Cassell operated Reach Communications Specialists, Inc. (“Reach”), which was an S Corporation, located at 1219 Spruce Street, Philadelphia, Pennsylvania. Reach engaged in advertising and public relations. Defendant DAVIS and Cassell also co-owned RCS Searchers, Inc. (“RCS”), which operated under Reach to do title searches and conduct settlements. RCS was initially located in the same office building as Reach, but moved to 100 S. Broad Street, Philadelphia, Pennsylvania, the same office building as the PSO. Defendant DAVIS and Cassell also owned and operated Cassell and Davis Partnership (“C and D Partnership”), which also was an advertising and a public relations business. James Cassell died in approximately 2005, leaving defendant DAVIS as the sole owner of Reach, RCS, and C and D Partnership.

Sheriff’s Sales

3. The PSO was responsible for selling real property in Philadelphia that was subject to mortgage foreclosure, tax lien, and tax delinquency.

4. The PSO sold real property subject to mortgage foreclosure, tax lien, and tax delinquency at Sheriff’s sales. A Sheriff’s sale was an auction at which the properties were sold to the highest bidder.

5. Sheriff’s sales were required to be advertised once a week for three successive weeks in The Legal Intelligencer, a newspaper catering largely to the legal profession, and in one daily newspaper of general circulation, with the first advertisement to be not less than 21 days before the Sheriff’s sale.

6. A handbill notifying that the property was subject to a Sheriff’s sale was required to be posted on the real property subject to a Sheriff’s sale at least 30 days before the sale.

7. The PSO conducted the Sheriff's sale and collected the proceeds received from the sale of the properties at the Sheriff's sale.

8. After a property was sold at Sheriff's sale, a schedule of distribution, which proposed the distribution of the proceeds from the sale of the property, was required to be prepared, and the proceeds from the sale of the property at the Sheriff's sale were to be distributed in accordance with the proposed schedule of distribution.

9. The PSO obtained a type of insurance policy called a "distribution policy" for each property sold to insure its distribution of the proceeds from the sale of the properties sold at Sheriff's sale. The charge for a distribution policy was controlled and directed by the Pennsylvania Insurance Department.

10. The costs and expenses of the sale of the property sold at Sheriff's sale were to be paid from the proceeds received from the sale of the property.

11. The liens and debts owing with regard to the property sold at Sheriff's sale were to be paid from the proceeds from the sale of the property.

12. After the costs and expenses of the sale of the property at Sheriff's sale were paid and the debts and liens owing on the property were paid, any remaining proceeds from the sale of the property were to be paid to the property owners who had lost their property to foreclosure and tax sale.

13. The deed to the property sold at Sheriff's sale was required to be executed, acknowledged, and delivered for recording.

Honest Services of Defendant JOHN GREEN

14. The City and County of Philadelphia, its citizens, and the property owners

who lost their properties at Sheriff's sales had a right to the honest services of defendant JOHN GREEN as the elected Sheriff in the operation of the PSO, in the sale of the distressed owners' properties at Sheriff's sales, and in managing the proceeds from the sale of the distressed owners' properties.

Reach/RCS's Contracts with and Services Provided to PSO

15. From at least 2002 to the end of 2010, Reach/RCS's business in large part was assisting the PSO in its sale of real properties at Sheriff's sales arising from mortgage foreclosure and tax sales. The contracts that Reach/RCS entered into with the PSO and the services that Reach/RCS provided to the PSO grew over time. Reach/RCS started by preparing the advertising for the Sheriff's sales. Reach/RCS's business with the PSO grew to include preparing distribution policies for properties sold at Sheriff's sales, paying the liabilities owed on properties sold at Sheriff's sales at settlement, conducting pre-certifications and re-certifications, and preparing and filing deeds for properties sold at Sheriff's sales.

16. Home Rule Charter, § 4-400(c), required the City of Philadelphia Law Department to prepare and approve all contracts in which the City was concerned and to keep a registry of all such contracts.

17. In or about February 2006, Title 17-1400 of the Philadelphia Code required City agencies, including the Philadelphia Sheriff's Office, that sought to enter into professional service contracts to publish notice of the availability of such contracting opportunities on the City of Philadelphia's official website and to award such contracts only to applicants that completed an application which contained the required disclosure forms. The required disclosures included the applicant's disclosure of contributions of money and in-kind assistance made by the applicant to

any candidate for election to any public office in the Commonwealth of Pennsylvania and to any individual who held such office.

Defendant JOHN GREEN's Campaigns for Sheriff

18. In or about 2003, defendant JAMES DAVIS and James Cassell managed the advertising for defendant JOHN GREEN's 2003 reelection campaign for Sheriff of Philadelphia. James Cassell also acted as the Treasurer for defendant GREEN's reelection campaign.

19. On or about May 20, 2003, defendant JOHN GREEN won the Democratic Primary Election for Sheriff, and on or about November 4, 2003, defendant GREEN won the General Election.

20. In or about 2006 and 2007, defendant JOHN GREEN, at the request of defendant JAMES DAVIS and others known to the grand jury, agreed to run for reelection in 2007.

21. From in or about 2006 to at least in or about 2008, defendant JAMES DAVIS managed the advertising for defendant JOHN GREEN's campaign.

22. On or about May 15, 2007, defendant JOHN GREEN won the Democratic Primary Election for Sheriff, and on or about November 6, 2007, defendant GREEN won the General Election. Defendant GREEN served as Sheriff of Philadelphia until in or about 2010 when he resigned from his office.

Campaign Finance Laws

23. Defendant JOHN GREEN and the treasurer of defendant GREEN's political committee, "Philadelphians for Green," were both required to file campaign finance

reports in paper form with the Philadelphia County Board of Elections and electronically with the Board of Ethics. The forms filed with the Board of Elections and the Board of Ethics were supposed to report receipts and expenditures of defendant GREEN's campaign, under 25 P.S. §§ 3246, 3247, and 3251, and Philadelphia Code, § 20-1006.

24. Defendant JOHN GREEN as a candidate was required to subscribe and swear to the campaign finance reports that defendant GREEN submitted, under 25 P.S. § 3249 and Philadelphia Code, § 20-1006.

25. Defendant JOHN GREEN was required to file an affidavit with the report submitted by defendant GREEN's political committee Philadelphians for Green that, to the best of defendant GREEN's knowledge, the political committee did not violate any of the Commonwealth's campaign laws, under 25 P.S. § 3249.

26. Defendant JOHN GREEN and the treasurer of defendant GREEN's political committee Philadelphians for Green were prohibited from willfully making any false, fraudulent, and misleading statements and entries and any material misstatements and omissions in any campaign finance report, under 25 P.S. § 3249 and Philadelphia Code, § 20-1006.

27. Reach/RCS as a corporation was prohibited from making any contribution and expenditure in connection with the election of defendant JOHN GREEN, and defendant GREEN as a candidate was prohibited from knowingly accepting and receiving any contribution from Reach/RCS as a corporation, under 25 P.S. § 3253.

28. In 2007, an individual, other than the defendant JOHN GREEN, was prohibited from making total contributions per calendar year of more than \$2,500 to defendant GREEN as a candidate and his political committee Philadelphians for Green, under Philadelphia

Code, § 20-1002.

29. Any person making a campaign contribution was required to do so only in his own name. A person was prohibited from making a campaign contribution with funds given to him by another person and corporation for the purpose of making the contribution, under 25 P.S. § 3254.

Conspiracy

30. From at least in or about 2002, to in or about 2011, in the Eastern District of Pennsylvania and elsewhere, defendants

JAMES DAVIS and JOHN GREEN

conspired and agreed, together and with others known and unknown to the grand jury, to commit offenses against the United States, that is, to:

a. Knowingly devise and engage in a scheme with the intent to defraud the City and County of Philadelphia and its citizens of the right to defendant JOHN GREEN's honest services in the affairs of the City and County of Philadelphia, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, in violation of 18 U.S.C. §§ 1343 and 1346; and

b. Affect interstate commerce by knowingly and willfully obtaining and attempting to obtain property under color of official right, in violation of 18 U.S.C. § 1951(a).

Manner and Means

It was part of the conspiracy that:

31. Defendant JAMES DAVIS provided defendant JOHN GREEN with a

stream of personal benefits during the time that the PSO contractually engaged defendant DAVIS' companies Reach/RCS to assist in the sale of real property at Sheriff's sales arising from mortgage foreclosure, tax lien, and tax delinquency. The benefits to defendant GREEN included:

a. Acting for the benefit of defendant JOHN GREEN, defendant JAMES DAVIS and his business partner at the time, James Cassell, purchased a home in or about September 2002, renovated the property, and sold the property to defendant GREEN at a loss to defendant DAVIS and Cassell in or about May 2003.

b. From in or about 2004 to in or about 2010, defendant JAMES DAVIS hired and paid defendant JOHN GREEN's wife as a subcontractor for finding employees to work at Reach/RCS.

c. From in or about 2006 to in or about 2008, defendant JAMES DAVIS provided and assisted in providing over approximately \$210,000 in hidden payments for and to defendant JOHN GREEN's 2007 reelection campaign.

d. In or about 2010, defendant JAMES DAVIS provided over approximately \$320,000 as gifts and interest-free loans to defendant JOHN GREEN and to help defendant GREEN purchase a retirement home in Florida.

32. Defendant JAMES DAVIS gave the stream of personal benefits to defendant JOHN GREEN intending to influence defendant GREEN and in exchange for defendant DAVIS' companies Reach/RCS maintaining and receiving more business, services, and fees from the PSO.

33. Defendant JOHN GREEN accepted the stream of personal benefits from defendant JAMES DAVIS knowing that the benefits were given in return for defendant DAVIS'

companies Reach/RCS maintaining and receiving more business, services, and fees from the PSO. As such, defendant GREEN permitted defendant DAVIS and his companies to obtain nearly exclusive control over the operation of the PSO's Sheriff's sales. Under this exclusive arrangement:

a. No other vendors were allowed to bid and compete against defendant JAMES DAVIS' companies for the services that it provided the PSO related to the sale of properties at Sheriff's sales.

b. The amount of services provided by defendant JAMES DAVIS' companies and paid for out of the proceeds of the Sheriff's sales was expanded, thereby increasing the revenue to defendant DAVIS and his companies.

c. Defendant JAMES DAVIS' companies added and increased fees that were paid for out of the proceeds from the Sheriff's sales.

d. Defendant JAMES DAVIS placed friends and family members as the staff at the PSO who performed tasks connected to the Sheriff's sales.

34. In response to questions raised about defendant JOHN GREEN entering into verbal agreements with defendant JAMES DAVIS' companies and other PSO vendors, defendant GREEN represented that the PSO would enter into "written agreements and contracts with all current and future vendors."

35. Despite this representation, defendant JOHN GREEN continued to conceal the expanding scope of defendant JAMES DAVIS' companies in the operation of Sheriff's sales and the additional and increasing fees that were paid to defendant DAVIS' companies out of the proceeds from the Sheriff's sales by not entering into written agreements for additional and

increasing services and fees, by not making agreements public, and by not providing the agreements to the City of Philadelphia Law Department.

36. Defendants JOHN GREEN and JAMES DAVIS concealed the stream of benefits to defendant GREEN by:

a. Failing to disclose the receipt of gifts and loans from defendant DAVIS to defendant GREEN on the annual statement of financial interests that defendant GREEN was required to file with the Commonwealth of Pennsylvania and the City of Philadelphia;

b. Failing to disclose defendant GREEN and his wife's financial interest in contracts between the PSO and defendant DAVIS' companies;

c. Using "straw parties" to conceal campaign contributions to defendant GREEN from defendant DAVIS in excess of the contribution limits established by the Commonwealth of Pennsylvania and the City of Philadelphia; and

d. Failing to disclose on the campaign finance forms required by the Commonwealth of Pennsylvania and the City of Philadelphia the receipt of money and services that defendant DAVIS provided to defendant GREEN.

Overt Acts

In furtherance of the conspiracy and to accomplish its objects, defendant JOHN GREEN, defendant JAMES DAVIS, and others committed the following overt acts, among others, in the Eastern District of Pennsylvania and elsewhere:

Stream of Personal Benefits to Defendant JOHN GREEN

Purchase and Renovation to Philadelphia Residence

1. On or about September 9, 2002, defendant JAMES DAVIS and James Cassell, through the C and D Partnership, bought for approximately \$92,500 a home on Mt. Pleasant Avenue, in Philadelphia, Pennsylvania, intending to renovate and sell it to defendant JOHN GREEN.
2. From in or about September 2002 to in or about May 2003, defendant JAMES DAVIS and James Cassell made and paid for renovations and maintenance on the home on Mt. Pleasant Avenue at least in excess of \$30,000.
3. On or about May 9, 2003, defendant JAMES DAVIS and James Cassell sold the home on Mt. Pleasant Avenue to defendant JOHN GREEN for approximately \$120,000. Because defendant DAVIS and Cassell paid some of the closing costs (including some of the closing costs for which the buyer, defendant GREEN, was responsible), defendant DAVIS and Cassell only received approximately \$112,191.80 at closing.
4. Defendant JAMES DAVIS and James Cassell sold the home on Mt. Pleasant Avenue to defendant JOHN GREEN at a financial loss of over \$12,000 to defendant DAVIS and Cassell after paying for the purchase, renovations, maintenance, and closing costs at the sale of the home.
5. From in or about May 2003 to in or about March 2005, defendant JAMES DAVIS and James Cassell continued to pay over approximately \$3,000 for renovations and maintenance costs for the home on Mt. Pleasant Avenue.
6. On or about May 1, 2004, defendant JOHN GREEN filed Statements of

Financial Interest for the year 2003 with the Commonwealth of Pennsylvania and the City of Philadelphia, and did not report the benefit that he received when he purchased the renovated home on Mt. Pleasant Avenue in 2003 at a loss to defendant JAMES DAVIS and James Cassell.

7. On or about May 1, 2006, defendant JOHN GREEN filed Statements of Financial Interest for the year 2005 with the Commonwealth of Pennsylvania and the City of Philadelphia, and did not report the benefit that he received when defendant JAMES DAVIS and James Cassell paid for defendant GREEN's additional renovation and maintenance costs for the home on Mt. Pleasant Avenue in 2005.

Hiring of Spouse

8. In or about 2004, after defendant JOHN GREEN married and was reelected as Sheriff, defendant GREEN's new wife started an employment agency. Defendant JAMES DAVIS then hired and began paying defendant GREEN's wife as a subcontractor to find employees to work at Reach/RCS.

9. In or about 2004, defendant JAMES DAVIS, through his companies, paid defendant JOHN GREEN's wife and her company approximately \$42,424 for the placement of employees at Reach/RCS.

10. In or about 2005, defendant JAMES DAVIS, through his companies, paid defendant JOHN GREEN's wife and her company approximately \$36,263 for the placement of employees at Reach/RCS.

11. In or about 2006, defendant JAMES DAVIS, through his companies, paid defendant JOHN GREEN's wife and her company approximately \$89,977 for the placement of employees at Reach/RCS.

12. In or about 2007, defendant JAMES DAVIS, through his companies, paid defendant JOHN GREEN's wife and her company approximately \$11,484 for the placement of employees at Reach/RCS.

13. In or about 2008, defendant JAMES DAVIS, through his companies, paid defendant JOHN GREEN's wife and her company approximately \$15,297 for the placement of employees at Reach/RCS.

14. In or about 2010, defendant JAMES DAVIS, through his companies, paid defendant JOHN GREEN's wife and her company approximately \$36,806 for the placement of employees at Reach/RCS.

15. Defendant JOHN GREEN failed to publicly disclose the nature and extent of his and his wife's interest in defendant JAMES DAVIS' companies Reach/RCS and their contracts with the PSO.

Campaign Contributions and Assistance

16. In or about 2006 and 2007, defendant JOHN GREEN, at the request of defendant JAMES DAVIS and others known to the grand jury, agreed to run for reelection in 2007.

17. From in or about 2006 to at least in or about 2008, defendant JAMES DAVIS managed the advertising for defendant JOHN GREEN's campaign, and defendant DAVIS, through his companies, made and orchestrated hidden payments of over approximately \$210,000 for and to defendant GREEN's campaign, including:

a. From in or about September 2006 through in or about May 2007, defendant JAMES DAVIS, through his companies, paid L.W., a person known to the grand

jury, to work on defendant JOHN GREEN's campaign for reelection, which defendant GREEN and his campaign did not report on the filed Campaign Finance Reports ("CFRs").

b. From at least in or about February 2007 through at least in or about February 2008, defendant JAMES DAVIS, through his companies, paid over \$140,000 for advertising and other expenses for defendant JOHN GREEN's campaign. Defendant GREEN's campaign never paid defendant DAVIS and his companies for any of these campaign expenses. Defendant GREEN and his campaign did not report and falsely reported the campaign expenditures of defendant DAVIS' companies on the filed CFRs.

c. In or about May 2007, when defendant JAMES DAVIS knew that the campaign owed him over \$70,000 in campaign advertising expenses for the period from in or about April 2007 to in or about May 2007, defendant DAVIS directed that an invoice be drafted, billing the campaign for only approximately \$30,000 in advertising costs. Defendant JOHN GREEN and his campaign reported the approximately \$30,000 debt on his campaign's filed May 1, 2007, to June 4, 2007 (Cycle 2) CFR. Defendant GREEN's campaign never paid the approximately \$30,000 and carried it forward as an outstanding campaign debt on each subsequently filed CFR.

d. On or about April 30, 2007, defendant JAMES DAVIS concealed a payment to defendant JOHN GREEN's campaign of approximately \$2,500, by defendant DAVIS directing E.M., a person known to the grand jury, to contribute this amount and defendant DAVIS providing the money to E.M. to make the payment to the campaign. Defendant GREEN and his campaign did not report the donation on the filed CFRs.

e. On or about May 11, 2007, defendant JAMES DAVIS arranged for

D.L., a person known to the grand jury, to provide an approximately \$50,000 loan to defendant JOHN GREEN. D.L. wrote a check for \$50,153.50 to defendant DAVIS' company RCS, and RCS then wired approximately \$50,000 to defendant GREEN's campaign account. Defendant GREEN and his campaign never reported the approximately \$50,000 wire on the filed CFRs. While defendant GREEN signed loan documents requiring defendant GREEN to repay D.L. within months, defendant GREEN has not repaid D.L.

f. On or about September 7, 2007, defendant JAMES DAVIS, through his company, issued a check to B.D., a person known to the grand jury, for approximately \$12,600 with the check memo stating, "Payment for use of summer home." Defendant DAVIS directed B.D. to make a hidden campaign donation to defendant JOHN GREEN's campaign with the money. B.D. deposited defendant DAVIS' check into B.D.'s personal account, and on or about September 10, 2007, B.D. issued a personal check to defendant GREEN's campaign for approximately \$12,600. Defendant GREEN and his campaign did not report the donation on the filed CFRs.

18. On or about March 17, 2010, defendant JAMES DAVIS paid for J.W., H.J., and C.H., persons known to the grand jury, to fly to Florida to meet with him and defendant JOHN GREEN regarding who would be the next sheriff after defendant GREEN retired.

19. In or about 2010, defendant JOHN GREEN, defendant JAMES DAVIS, and J.W. and B.D., persons known to the grand jury, agreed that defendant GREEN would retire before his term expired, B.D. would become the Acting Sheriff in the interim, B.D. would keep the contracts and business that defendant DAVIS' companies Reach/RCS had with the PSO, and J.W.

would then run for Sheriff at the next election.

20. On or about December 10, 2010, defendant JAMES DAVIS concealed a payment of approximately \$1,000 to the campaign of J.W., a person known to the grand jury, by doing the following: Defendant DAVIS directed D.L., a person known to the grand jury, to contribute this amount to the campaign, defendant DAVIS provided the money to D.L., and D.L. then issued a check to J.W.'s campaign for approximately \$1,000 drawn on D.L.'s TD/Commerce Bank account.

21. On or about January 25, 2011, defendant JAMES DAVIS caused to be filed the CFR 2010 Annual Report of the Friends of J.W., a person known to the grand jury, which falsely reported the approximately \$1,000 donation check from D.L., a person known to the grand jury, that defendant DAVIS had funded.

22. On or about January 31, 2011, defendant JAMES DAVIS and defendant JOHN GREEN caused to be transmitted by means of wire communication in interstate and foreign commerce, that is, through Dallas, Texas, to Philadelphia, Pennsylvania, the electronic CFR 2010 Annual Report of Philadelphians for Green, defendant GREEN's campaign committee, which falsely reported an approximately \$30,000 unpaid campaign debt to defendant DAVIS' company Reach.

Gifts/No Interest Loans

23. On or about October 1, 2008, defendant JAMES DAVIS gave approximately \$4,000 to defendant JOHN GREEN through a personal check with the memo, "(Loan)." Defendant GREEN has not repaid defendant DAVIS the approximately \$4,000 purported loan.

24. In or about 2009, defendant JOHN GREEN filed Statements of Financial Interest for the year 2008 with the Commonwealth of Pennsylvania and the City of Philadelphia, and did not report the approximately \$4,000 that he received from defendant JAMES DAVIS in 2008.

25. On or about September 28, 2011, defendant JAMES DAVIS gave approximately \$10,000 to defendant JOHN GREEN through a personal check with the memo, "Loan." Defendant GREEN has not repaid defendant DAVIS the approximately \$10,000 purported loan.

Purchase of Florida Retirement Home

26. On or about March 23, 2010, defendant JOHN GREEN and his wife contracted to purchase a home on Montecito Place, in Poinciana, Florida.

27. On or about March 25, 2010, defendant JOHN GREEN paid approximately \$10,000 by check toward the purchase of the home on Montecito Place, in Poinciana, Florida. A stop payment was placed on the check.

28. On or about April 2, 2010, defendant JAMES DAVIS paid approximately \$12,000 to defendant JOHN GREEN through a C and D Partnership check with the memo, "One Year rental of 447 Madera Pass, Florida." Defendant GREEN has not repaid defendant DAVIS the approximately \$12,000.

29. On or about April 5, 2010, defendant JOHN GREEN paid approximately \$10,000 by check toward the purchase of the home on Montecito Place, in Poinciana, Florida.

30. On or about April 22, 2010, defendant JOHN GREEN paid approximately \$17,990 by check toward the purchase of the home on Montecito Place, in Poinciana, Florida.

31. On or about May 18, 2010, defendant JOHN GREEN paid approximately \$36,645 by check toward the purchase of the home on Montecito Place, in Poinciana, Florida.

Defendant GREEN did not have sufficient funds in his bank account to cover the check.

32. On or about May 18, 2010, defendant JAMES DAVIS paid approximately \$50,000 to defendant JOHN GREEN with a C and D Partnership check, with the memo "Mortgage Loan." Defendant GREEN has not repaid defendant DAVIS the approximately \$50,000 purported mortgage loan.

33. On or about May 27, 2010, defendant JOHN GREEN paid approximately \$36,680, which included an insufficient fund fee of \$35, by cashier's check toward the purchase of the home on Montecito Place, in Poinciana, Florida.

34. On or about December 20, 2010, defendant JAMES DAVIS wired approximately \$258,151.32 from defendant DAVIS' personal account at TD Bank, to the Wachovia/Wells Fargo account of the title agent in Kissimmee, Florida, for defendant JOHN GREEN's closing on the purchase of the home on Montecito Place, in Poinciana, Florida, which occurred on or about December 20, 2010. Defendant DAVIS' approximately \$258,151.32 bank wire caused to be transmitted by means of wire communication in interstate and foreign commerce an electronic communication between Kissimmee, Florida, Mt. Laurel, New Jersey, and Toronto, Canada, for the approval and processing of the wire.

35. On or about March 30, 2011, defendant JOHN GREEN sent approximately \$258,151.32 through an electronic bank wire transfer to defendant JAMES DAVIS after the following intervening events:

a. On or about January 1, 2011, defendant JOHN GREEN retired from

his position as Sheriff.

b. On or about February 6, 2011, the City of Philadelphia Board of Pensions issued a DROP program check for approximately \$385,898.22 to defendant JOHN GREEN.

c. On or about February 8 and 9, 2011, federal grand jury subpoenas, concerning allegations in this indictment, were issued to Reach, RCS, and the PSO.

36. In or about 2011, defendant JOHN GREEN failed to file Statements of Financial Interest for the year 2010 with the Commonwealth of Pennsylvania and the City of Philadelphia, and failed to report the approximately \$12,000, \$50,000, and \$258,151.32 that defendant DAVIS provided to defendant GREEN in 2010.

Official Acts in Return to Benefit Defendant JAMES DAVIS

37. On or about September 1, 2002, at the direction of defendant JOHN GREEN, the PSO entered into a signed letter agreement with defendant JAMES DAVIS' companies Reach/RCS to prepare and execute deeds for tax sales for a fee of \$75 per deed.

38. On or about January 23, 2003, defendant JOHN GREEN issued a memorandum advising of a new policy at the PSO of obtaining written agreements or contracts with all current and future vendors providing consultant and professional services, and keeping the written agreements at the PSO for public inspection.

39. On or about February 25, 2003, a letter agreement between the PSO and defendant JAMES DAVIS' company Reach documented an agreement that Reach was to provide advertising for Sheriff's sales with Reach receiving a 15% standard commission from the media outlet charges. Under the terms of the agreement, in exchange for the 15% commission, Reach

agreed to: (1) prepare the advertising for and provide the advertising to the Legal Intelligencer, the three newspapers of general circulation, as well as community newspapers; (2) prepare radio advertising; (3) develop and maintain a website for Sheriff's sales; and (4) maintain an archive of handbills, tear sheets, billing, and originals of legal abstracts.

40. On or about February 27, 2003, a letter agreement between the PSO and defendant JAMES DAVIS' companies Reach/RCS documented that Reach/RCS was to provide distribution policies for properties sold at Sheriff's sale with Reach/RCS receiving payment in accordance with the state mandated rate structure and the cost established and approved by the PSO.

41. On or about November 12, 2004, at the direction of defendant JOHN GREEN, the PSO negotiated a letter agreement with defendant JAMES DAVIS' companies Reach/RCS to provide settlement services for Sheriff's sales, including recording deeds and paying liabilities on Sheriff's sale properties, at a fee of \$250 per property.

42. By at least in or about 2004, defendant JAMES DAVIS, through his companies Reach/RCS, charged the PSO for the following additional fees on the advertising invoices for mortgage foreclosure sales: (1) \$20 per property for printing handbills; (2) \$20 per property for scanning 3129s onto Phillysheriff.com, the website that Reach/RCS developed and maintained for the PSO under the February 25, 2003, letter agreement; and (3) \$50 per property for Sheriffsale.com, a private website owned by Reach/RCS. These additional fees were not included in the written February 25, 2003, letter agreement between the PSO and Reach/RCS and were not made public.

43. By at least in or about 2005, defendant JAMES DAVIS, through his

companies Reach/RCS, charged the PSO an additional fee for printing handbills of approximately \$20 per property on the advertising invoices for tax sales. This additional fee was not included in the written February 25, 2003, letter agreement between the PSO and Reach/RCS and was not made public.

44. In or about January 2005, defendant JAMES DAVIS, through his companies Reach/RCS, added a charge to the PSO for “Ad Production” of approximately \$75 per property on the advertising invoices for mortgage foreclosure sales. This additional fee was not included in the written February 25, 2003, letter agreement between the PSO and Reach/RCS and was not made public.

45. On or about November 3, 2006, at the direction of defendant JOHN GREEN, the PSO entered into a letter agreement with defendant JAMES DAVIS’ companies Reach/RCS to review archived property accounts to pay outstanding liabilities, a process called “sweeps,” at a fee of \$55 per property.

46. In or about August 2007, after defendant JOHN GREEN won the Democratic Primary Election in or about May 2007, defendant JAMES DAVIS, through his company Reach, added a charge to the PSO for “Ad Production” of approximately \$40 per property on the advertising invoices for tax sales. This additional fee was not included in the written February 25, 2003, letter agreement between the PSO and Reach/RCS and was not made public.

47. In or about September 2007, after defendant JOHN GREEN won the Democratic Primary Election in or about May 2007, defendant JAMES DAVIS, through his company Reach, increased the fees charged the PSO for advertising with the mortgage sales.

These additional fees were not included in the written February 25, 2003, letter agreement between the PSO and Reach/RCS and were not made public.

48. From in or about April 2008 to in or about April 2009, defendant JAMES DAVIS added a charge to the PSO for Comcast on the advertising invoices. This additional fee was not included in the written February 25, 2003, letter agreement between the PSO and Reach/RCS and was not made public.

49. On or about April 3, 2009, at the direction of defendant JOHN GREEN, the PSO entered into a letter agreement with defendant JAMES DAVIS' companies Reach/RCS to review archived property accounts to pay outstanding liabilities, a process called "sweeps," at a fee of \$125 per property.

50. Between at least in or about 2005 and in or about 2010, defendant JAMES DAVIS, through his companies Reach/RCS, charged the PSO hidden fees not included in the written agreements between the PSO and Reach/RCS, to include over approximately \$7 million in advertising fees beyond the agreed 15% commission for this service.

51. On or about the dates set forth below, in Philadelphia, Pennsylvania, in the Eastern District of Pennsylvania, and elsewhere, defendant JOHN GREEN and defendant JAMES DAVIS, caused to be transmitted by means of wire communication in interstate and foreign commerce electronic communications between Mount Laurel, New Jersey, and Toronto, Canada, in the processing of the below checks drawn on a PSO TD/Commerce Bank account, payable to Reach, as payment for the advertising invoices that Reach submitted to the PSO:

CHECK DATE	CHECK NUMBER	AMOUNT
December 29, 2010	37152	\$28,803.37
December 29, 2010	37162	\$34,356.05

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

COUNTS TWO AND THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 29 of Count One are incorporated here.
2. From at least in or about 2002, to in or about 2011, defendants

**JAMES DAVIS and
JOHN GREEN**

devised and intended to devise a scheme to defraud the City and County of Philadelphia and its citizens of the right to defendant GREEN's honest services in the affairs of the City and County of Philadelphia, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

Manner and Means

It was part of the scheme that:

3. Paragraphs 31 through 36 of Count One are incorporated here.
4. On or about the dates set forth below, in Philadelphia, Pennsylvania, in the Eastern District of Pennsylvania, and elsewhere, defendant JOHN GREEN and defendant JAMES DAVIS, for the purpose of executing the scheme described above, and attempting to do so, caused to be transmitted by means of wire communication in interstate and foreign commerce electronic communications between Mount Laurel, New Jersey, and Toronto, Canada, in the processing of the below checks drawn on a PSO TD/Commerce Bank account, payable to Reach, as payment for the advertising invoices that Reach submitted to the PSO, each transmission constituting a separate count:

COUNT	CHECK DATE	CHECK NUMBER	AMOUNT
2	December 29, 2010	37152	\$28,803.37
3	December 29, 2010	37162	\$34,356.05

All in violation of Title 18, United States Code, Sections 1343, 1346, and 1349.

COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 29 of Count One are incorporated here.
2. From at least in or about 2002, to in or about 2011, defendants

JAMES DAVIS and JOHN GREEN

devised and intended to devise a scheme to defraud the City and County of Philadelphia and its citizens of the right to defendant GREEN's honest services in the affairs of the City and County of Philadelphia, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

Manner and Means

It was part of the scheme that:

3. Paragraphs 31 through 36 of Count One are incorporated here.
4. On or about December 20, 2010, in Philadelphia, Pennsylvania, in the Eastern District of Pennsylvania, and elsewhere, defendant JOHN GREEN and defendant JAMES DAVIS, for the purpose of executing the scheme described above, and attempting to do so, caused to be transmitted by means of wire communication in interstate and foreign commerce an electronic communication between Kissimmee, Florida, Mt. Laurel, New Jersey, and Toronto, Canada, for the approval and processing of a bank wire transfer of approximately \$258,151.32, drawn on defendant DAVIS' TD/Commerce Bank account, to the Wachovia/Wells Fargo account of Prominent Title Insurance Agency, the title agent for defendant GREEN's closing on the purchase of the home on Montecito Place, in Poinciana, Florida.

All in violation of Title 18, United States Code, Sections 1343, 1346, and 1349.

COUNT FIVE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 29 of Count One are incorporated here.
2. From at least in or about 2002, to in or about 2011, defendants

**JAMES DAVIS and
JOHN GREEN**

devised and intended to devise a scheme to defraud the City and County of Philadelphia and its citizens of the right to defendant GREEN's honest services in the affairs of the City and County of Philadelphia, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

Manner and Means

It was part of the scheme that:

3. Paragraphs 31 through 36 of Count One are incorporated here.
4. On or about January 31, 2011, in Philadelphia, Pennsylvania, in the Eastern

District of Pennsylvania, and elsewhere, defendant JOHN GREEN and defendant JAMES DAVIS, for the purpose of executing the scheme described above, and attempting to do so, caused to be transmitted by means of wire communication in interstate and foreign commerce the following writings, signals and sounds: an image of the 2010 Annual Campaign Finance Report of defendant GREEN's campaign committee, Philadelphians for Green, by means of wire communication in interstate and foreign commerce, that is, through Dallas, Texas, to Philadelphia, Pennsylvania, which falsely reported an approximately \$30,000 unpaid campaign debt to defendant DAVIS' company Reach.

All in violation of Title 18, United States Code, Sections 1343, 1346, and 1349.

COUNT SIX

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraph 2 of Count One of this indictment is incorporated here.
2. On or about April 10, 2010, in the Eastern District of Pennsylvania and elsewhere, defendant

JAMES DAVIS

willfully made and subscribed the Form 1120S, U.S. Income Tax Return for an S Corporation, for Reach Communications Specialists, Inc. for the tax year 2007, which was verified by a written declaration that the return was made under the penalty of perjury and was prepared in Horsham, Pennsylvania, and which defendant DAVIS did not believe to be true and correct as to every material matter, in that the return reported a business loss of approximately \$146,669, which defendant DAVIS knew and believed was not true.

All in violation of Title 26, United States Code, Section 7206(1).

COUNT SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraph 2 of Count One of this indictment is incorporated here.
2. On or about February 18, 2011, in the Eastern District of Pennsylvania and elsewhere, defendant

JAMES DAVIS

willfully made and subscribed the Form 1040, U.S. Individual Income Tax Return, for the tax year 2007, which was verified by a written declaration that the return was made under the penalty of perjury and was prepared in Horsham, Pennsylvania, and which defendant DAVIS did not believe to be true and correct as to every material matter, in that the return reported taxable income of approximately \$408,072, which defendant DAVIS knew and believed was not true.

All in violation of Title 26, United States Code, Section 7206(1).

COUNT EIGHT

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraph 2 of Count One of this indictment is incorporated here.
2. From at least in or about January 1, 2008, through at least in or about December 31, 2008, defendant JAMES DAVIS received gross income, to include wages and salary in the amount of \$334,500 from Reach Communications Specialists, Inc., and flow through income from Reach Communications Specialists, Inc.
3. During the calendar year 2008, in Wyncote, Pennsylvania, in the Eastern District of Pennsylvania, and elsewhere, defendant

JAMES DAVIS

had and received gross income substantially in excess of the minimum filing requirement, that is, approximately \$17,900 in gross income as married filing jointly and approximately \$3,500 in gross income as married filing separately, and that by reason of such gross income he was required by law, following the close of the calendar year of 2008 and on or before April 15, 2009, to make an income tax return to the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, or other proper officer of the United States, stating specifically the items of his gross income and any deductions and credits to which he was entitled; that knowing this, he willfully failed to make an income tax return to the Director of the Internal Revenue Service Center, or to any other proper officer of the United States.

In violation of Title 26, United States Code, Section 7203.

COUNT NINE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraph 2 of Count One of this indictment is incorporated here.
2. From at least in or about January 1, 2009, through at least in or about December 31, 2009, defendant JAMES DAVIS received gross income, to include wages and salary in the amount of \$333,500 from Reach Communications Specialists, Inc., and flow through income from Reach Communications Specialists, Inc.
3. During the calendar year 2009, in Wyncote, Pennsylvania, in the Eastern District of Pennsylvania, and elsewhere, defendant

JAMES DAVIS

had and received gross income substantially in excess of the minimum filing requirement, that is, approximately \$18,700 in gross income as married filing jointly and approximately \$3,650 in gross income as married filing separately, and that by reason of such gross income he was required by law, following the close of the calendar year of 2009 and on or before April 15, 2010, to make an income tax return to the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, or other proper officer of the United States, stating specifically the items of his gross income and any deductions and credits to which he was entitled; that knowing this, he willfully failed to make an income tax return to the Director of the Internal Revenue Service Center, or to any other proper officer of the United States.

In violation of Title 26, United States Code, Section 7203.

COUNT TEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraph 2 of Count One of this indictment is incorporated here.

2. From at least in or about January 1, 2010, through at least in or about December 31, 2010, defendant JAMES DAVIS received gross income, to include wages and salary in the amount of \$333,500 from Reach Communications Specialists, Inc., and flow through income from Reach Communications Specialists, Inc.

3. During the calendar year 2010, in Wyncote, Pennsylvania, in the Eastern District of Pennsylvania, and elsewhere, defendant

JAMES DAVIS

had and received gross income substantially in excess of the minimum filing requirement, that is, approximately \$18,700 in gross income as married filing jointly and approximately \$3,650 in gross income as married filing separately, and that by reason of such gross income he was required by law, following the close of the calendar year of 2010 and on or before October 15, 2011, to make an income tax return to the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, or other proper officer of the United States, stating specifically the items of his gross income and any deductions and credits to which he was entitled; that knowing this, he willfully failed to make an income tax return to the Director of the Internal Revenue Service Center, or to any other proper officer of the United States.

In violation of Title 26, United States Code, Section 7203.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1343, set forth in this indictment, defendants

**JAMES DAVIS and
JOHN GREEN**

shall forfeit to the United States of America any property constituting, or derived from, proceeds obtained directly or indirectly from the commission of such offenses, including, but not limited to:

- a. 1001 Mt. Pleasant Avenue, Philadelphia, Pennsylvania
- b. 320 Montecito Place, Poinciana, Florida
- c. The sum of \$7,000,000.

2. If any of the property described above, as a result of any act or omission of the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to, sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of this Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the property subject to forfeiture.

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

A TRUE BILL:

GRAND JURY FOREPERSON

**ZANE DAVID MEMEGER
UNITED STATES ATTORNEY**