
**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon. Jessica S. Allen
	:	
v.	:	Mag. No. 23-8094
	:	
RANALDO BENNETT	:	<u>CRIMINAL COMPLAINT</u>
JONATHAN SMITH	:	

I, Special Agent Elizabeth Hornberger, being duly sworn, state that the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.

Elizabeth Hornberger

Special Agent Elizabeth Hornberger
Federal Bureau of Investigation

Special Agent Elizabeth Hornberger attested to this Complaint by telephone pursuant to Federal Rule of Criminal Procedure 4.1(b)(2)(A) on July 5, 2023 in Newark, New Jersey.

HONORABLE JESSICA S. ALLEN
UNITED STATES MAGISTRATE JUDGE

/s/ Jessica S. Allen (ESH 12:59 PM)

Signature of Judicial Officer

ATTACHMENT A

Count One
(Conspiracy to Commit Wire Fraud)

From in or around November 2018 through in or around October 2020, in the District of New Jersey and elsewhere, defendants,

**RANALDO BENNETT and
JONATHAN SMITH,**

knowingly and intentionally conspired and agreed to devise a scheme and artifice to defraud and to deprive Victim Organization of money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, contrary to Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Sections 1349.

Counts Two through Three
(Transacting in Criminal Proceeds)

On or about the dates set forth below, in the District of New Jersey and elsewhere, defendant,

RANALDO BENNETT,

did knowingly engage and attempt to engage in a monetary transaction by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a greater value than \$10,000, specifically referenced in the table below, each constituting a separate count in this Complaint, such property having been derived from specified unlawful activity, that is, wire fraud, contrary to Title 18, United States Code, Section 1343:

COUNT	DATE	DESCRIPTION
2	September 8, 2020	A transfer of approximately \$11,500 from Co-conspirator-1's bank account in New Jersey to BENNETT's bank account in Delaware.
3	September 21, 2020	A transfer of approximately \$15,000 from Co-conspirator-1's bank account in New Jersey to BENNETT's bank account in Delaware.

In violation of Title 18, United States Code, Section 1957 and Section 2.

ATTACHMENT B

I, Elizabeth Hornberger, am a Special Agent with the Federal Bureau of Investigation. I am fully familiar with the facts set forth herein based on my own investigation, my conversations with other law enforcement officers, interviews of witnesses, and my review of reports, documents, and evidence. Where statements of others are related herein, they are related in substance and in part. Because this complaint is being submitted for a limited purpose, I have not set forth each and every fact that I know concerning this investigation. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

Background

1. At all times relevant to this Complaint:

a. “Victim Organization” was a condominium association that owned a multi-building, multi-level condominium complex (the “Facility”) in Jersey City, New Jersey.

b. “Company-1” was a property management company hired by Victim Organization to manage the day-to-day operations of the Facility, including maintenance and repair work on the external and internal common areas and condominiums. As part of its responsibilities, Company-1 oversaw the selection and oversight of third-party vendors who provided construction services at the Facility.

c. Defendant Rinaldo Bennett (“BENNETT”) resided in Jersey City, New Jersey, and was employed by Company-1 as the Facility’s lead onsite property manager. His responsibilities included identifying vendors to perform maintenance and repair work for the Facility, overseeing and managing the work, and collecting and approving invoices to Victim Organization from vendors who performed the work.

d. Defendant Jonathan Smith (“SMITH”) resided in Montclair, New Jersey, and was a Facility superintendent employed by Company-1 to handle smaller maintenance and repair projects. He worked closely with BENNETT, among other things, to help select, oversee, and manage vendor maintenance and repair projects at the Facility.

e. “Co-conspirator-1” resided in Frenchtown and Jersey City, New Jersey, and owned a painting and maintenance company (“CC-Company”) located in Union City, New Jersey. Co-conspirator-1’s company received and performed maintenance and repair work at the Facility.

The Conspiracy

Overview

2. From in or around November 2018 through in or around October 2020, BENNETT and SMITH accepted kickbacks from Co-conspirator-1 in exchange for steering much of the Facility’s maintenance and repair work to Co-conspirator-1 and CC-Company. CC-Company periodically sent invoices to BENNETT to get paid by Victim Organization for that work.

3. Once BENNETT received those invoices, he and SMITH fraudulently changed them to substantially overinflate the value of CC-Company's work. BENNETT then approved the fraudulent invoices, which caused Victim Organization to substantially overpay Co-conspirator-1 and CC-Company for their work. Co-conspirator-1 used those overpayments from Victim Organization to fund the kickback payments to BENNETT and SMITH.

4. The scheme succeeded, in part, because of the position of trust that BENNETT held in selecting vendors and processing and approving invoices on Victim Organization's behalf. Because Victim Organization relied on BENNETT for these tasks, Victim Organization did not know that the invoices were substantially inflated when paying Co-conspirator-1 and CC-Company.

5. In total, based on the fraudulently inflated invoices, Victim Company paid Co-conspirator-1 and CC-Company approximately \$1,006,952 for work that was actually valued at approximately \$500,000.

6. From those overpayments, BENNETT received kickbacks from Co-conspirator-1 by either cash or check, including the following 25 checks, totaling approximately \$204,550, which were issued on or about the following dates from CC-Company and made payable to BENNETT:

Date	Checks to BENNETT From CC-Company
4/26/2019	\$40,000
12/12/2019	\$7,000
12/12/2019	\$6,000
4/10/2020	\$3,375
4/10/2020	\$3,375
5/13/2020	\$5,600
5/20/2020	\$2,200
6/19/2020	\$5,000
6/19/2020	\$5,000
6/19/2020	\$5,000
6/19/2020	\$5,000
7/6/2020	\$5,500
8/11/2020	\$5,000
8/11/2020	\$5,000
8/25/2020	\$5,000
8/25/2020	\$5,000
8/25/2020	\$5,000
8/25/2020	\$5,000
8/25/2020	\$5,000
9/8/2020	\$11,500
9/21/2020	\$15,000

10/1/2020	\$10,000
10/8/2020	\$25,000
10/21/2020	\$10,000
10/27/2020	\$5,000
Total	\$204,550.00

7. Without Company-1 and/or Victim Organization's knowledge or approval, BENNETT caused these kickback payments to be deposited into his personal bank account at bank branches in Delaware and New York. Each check was processed via interstate wire between Delaware or New York and CC-Company's bank account in New Jersey.

8. For his part, SMITH received kickbacks from Co-conspirator-1 in cash. At times, SMITH sent text messages to Co-conspirator-1 demanding those kickbacks and instructing Co-conspirator-1 how and when to make kickback payments to SMITH and BENNETT.

Examples of the Conspiracy and Scheme to Defraud

Example 1

9. On or about August 12, 2020, Co-conspirator-1 provided BENNETT with five invoices totaling approximately \$21,800, which reflected the accurate value of work completed at the Facility. BENNETT subsequently altered those invoices by falsely charging Victim Organization approximately \$43,600 for that same work.

10. On or about August 12, 2020, based on the fraudulently inflated invoices, and BENNETT's approval, Victim Organization paid Co-Conspirator-1 and his company approximately \$43,600.

11. On or about August 25, 2020, at BENNETT's request, and without the knowledge and consent of Company-1 and Victim Organization, Co-conspirator-1 paid BENNETT a kickback of approximately \$25,000 via five checks, each totaling approximately \$5,000. BENNETT then deposited these checks into his personal bank account at a bank branch in Delaware. The checks were processed via interstate wire between Delaware and New Jersey.

12. At SMITH's request, on or about August 21, 2020 and August 24, 2020, Co-conspirator-1 paid SMITH two cash kickbacks of approximately \$200 and \$400, respectively.

13. On or about August 29, 2020, Co-conspirator-1 provided BENNETT with two invoices totaling approximately \$13,500, which reflected the accurate value of work completed at the Facility. BENNETT subsequently altered those invoices by falsely charging Victim Organization approximately \$25,000 for that same work.

14. On or about September 3, 2020, based on the fraudulently inflated invoices, and BENNETT's approval, Victim Organization paid Co-Conspirator-1 and his company approximately \$25,000. On or about September 8, 2020, at BENNETT's request, and without the knowledge and consent of Company-1 and Victim Organization, Co-conspirator-1 paid

BENNETT a kickback of approximately \$11,500 by check. BENNETT then deposited the check into his personal bank account at the same bank branch in Delaware. The check was processed via interstate wire between Delaware and New Jersey.

15. At SMITH's request, on or about September 8, 2020, Co-conspirator-1 paid SMITH kickbacks of approximately \$200 in cash.

Example 3

16. On or about September 11, 2020, Co-conspirator-1 provided BENNETT with invoices totaling approximately \$12,500, which reflected the accurate value of work completed at the Facility. BENNETT subsequently altered the invoices by falsely charging Victim Organization approximately \$30,000 for that same work.

17. On or about September 14, 2020, based on the fraudulently inflated invoices, and BENNETT's approval, Victim Organization paid Co-Conspirator-1 and his company approximately \$30,000. On or about September 21, 2020, at BENNETT's request, and without the knowledge and consent of Company-1 and Victim Organization, Co-conspirator-1 paid BENNETT a kickback of approximately \$15,000 by check. BENNETT then deposited these checks into his personal bank account at a bank branch in Delaware. The checks were processed via interstate wire between Delaware and New Jersey.

18. At SMITH's request, on or about September 21, 2020, Co-conspirator-1 paid SMITH a kickback of approximately \$200 in cash.

* * *

19. The conspiracy resulted in actual losses to Victim Organization in excess of \$470,000.