

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

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Crim. No. 24-
	:	
JONATHAN SMITH	:	18 U.S.C. § 1349

INFORMATION

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

(Conspiracy to Commit Wire Fraud)

Background

1. At all times relevant to this Information:
 - a. “Victim Organization” was a condominium association that owned a multi-building, multi-level condominium complex (the “Facility”) in Jersey City, New Jersey.
 - b. Defendant Jonathan Smith (“SMITH”) resided in Montclair, New Jersey, and was a Facility superintendent responsible for handling and overseeing maintenance and repair projects.
 - c. “Company-1” was a property management company responsible for managing 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.

d. “Co-conspirator-1” resided in Jersey City, New Jersey, and was employed by Company-1 as the Facility’s lead onsite property manager. His responsibilities included supervising SMITH, identifying vendors to perform construction services at the Facility, overseeing and managing the work, and collecting and approving invoices to Victim Organization from vendors who performed the work. SMITH worked closely with Co-conspirator-1 to, among other things, help select, oversee, and manage vendor maintenance and repair work at the Facility.

e. “Co-conspirator-2” 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-2’s company received and performed maintenance and repair work at the Facility.

The Conspiracy

2. From in or around November 2018 through in or around July 2020, in the District of New Jersey and elsewhere, the defendant,

JONATHAN SMITH,

knowingly and intentionally conspired and agreed with Co-conspirator-1 and Co-conspirator-2 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.

Goal of the Conspiracy

3. The goal of the conspiracy was for SMITH and his co-conspirators to enrich themselves by fraudulently causing Victim Organization to pay inflated prices for Co-conspirator-2's work at the Facility, and for Co-conspirator-2 to pay SMITH and Co-conspirator-1 kickbacks in exchange for them steering work to Co-conspirator-2 and his company, CC-Company.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that:

a. From in or around November 2018 through in or around July 2020, on behalf of Victim Organization, SMITH and Co-conspirator-1 steered over \$500,000 in maintenance and construction work at the Facility to Co-conspirator-2 and CC-Company.

b. Co-conspirator-1, aided by SMITH, falsified invoices from Co-conspirator-2 and CC-company to Victim Organization, which caused Victim Organization to unknowingly pay substantially inflated prices for that work.

c. In exchange for steering work to Co-conspirator-2 and CC-company, SMITH and Co-conspirator-1 requested and received kickbacks from Co-conspirator-2 which were paid by Co-conspirator-2 from Victim Organization's overpayments to Co-conspirator-2 and CC-company.

d. Co-conspirator-2 paid kickbacks to SMITH in cash, and to Co-conspirator-1 in cash and checks drawn from CC-company's bank account in New Jersey, which Co-conspirator-1 deposited into his personal bank account at branches in Delaware and New York.

e. As part of the conspiracy, Co-conspirator-2 would provide most of Co-conspirator-1's kickbacks to SMITH who would then deliver the cash and checks to Co-conspirator-1.

f. In total, based on the fraudulently inflated invoices, Victim Company paid CC-company and Co-conspirator-2 approximately \$1,006,952 for work that was actually valued at approximately \$500,000. In turn, Co-conspirator-2 used those overpayments to pay over \$460,000 in kickbacks to Co-conspirator-1 and approximately \$30,000 in cash kickbacks to SMITH. For example:

i. On or about August 29, 2020, Co-conspirator-2 provided Co-conspirator-1 with two invoices totaling approximately \$13,500, which reflected the accurate value of work completed at the Facility.

ii. Co-conspirator-1 subsequently altered those invoices by falsely charging Victim Organization approximately \$25,000 for that same work.

iii. On or about September 3, 2020, based on the fraudulently inflated invoices, Victim Organization paid CC-company approximately \$25,000.

iv. On or about September 8, 2020, at Co-conspirator-1's request, Co-conspirator-2 paid Co-conspirator-1, through SMITH, a kickback of approximately \$11,500 by check, which Co-conspirator-1 deposited into his personal

bank account. The check was processed via interstate wire between Delaware and New Jersey.

v. At SMITH's request, on or about September 8, 2020, Co-conspirator-2 paid SMITH a kickback of approximately \$200 in cash.

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

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

FORFEITURE ALLEGATION

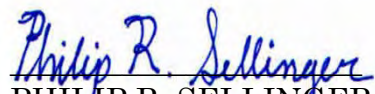
1. Upon conviction of the offense charged in the Information, defendant Jonathan Smith shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real and personal, that the defendant obtained that constitutes or is derived from proceeds traceable to the commission of such offense, and all property traceable to such property.

Substitute Assets Provision

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

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the 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 intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c), to seek forfeiture of any other property of such defendant up to the value of the forfeitable property described in paragraph 1.


PHILIP R. SELLINGER
United States Attorney