USAO2024R00244/JS/FL/KC

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon. William J. Martini
	:	
v.	:	Crim. No. 25-
	:	
	:	18 U.S.C. § 371
LAMONT BAXTER	:	18 U.S.C. § 666(a)(2)
	:	18 U.S.C. §§ 1343, 1349
	:	18 U.S.C. § 2

INFORMATION

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

COUNT 1

(Conspiracy to Give Bribes to Newark Officials in Connection with Real Estate Development and Construction-Related Transactions)

Defendant and Other Individuals and Entities

1. From in or about January 2017 to in or about August 2022, defendant LAMONT BAXTER ("defendant BAXTER") was an expediter on real estate and construction matters in Newark, New Jersey. As an expediter, defendant BAXTER offered to serve as a liaison between individuals seeking permits, Certificates of Code Compliance ("CCC"), Certificates of Continued Occupancy ("CCO"), approvals, and other actions on an expedited basis and Newark officials and agencies. Defendant BAXTER used various entities that he incorporated to obtain payments as an expediter, including, but not limited to, Keen Commodities LLC and LAB Holdings LLC.

2. At times relevant to Count 1 of this Information:

A. Joseph A. McCallum, Jr. ("McCallum") was an elected member of the Municipal Council for the City of Newark, New Jersey (the "City Council").

B. "Developer 1," who had real estate companies based in New York and New Jersey, purchased and developed residential and commercial real estate in Newark and sought development and redevelopment projects in Newark, through a variety of different limited liability companies, and hired defendant BAXTER for, among other things, expediting services.

C. "Developer 2," who had real estate companies based in New York and New Jersey, purchased and developed residential and commercial real estate in Newark, engaged in real estate-related transactions with Developer 1, and hired defendant BAXTER for, among other things, expediting services.

D. The City of Newark government received benefits in excess of $10,000 in the relevant one-year periods, within the meaning of Title 18, United States Code, Section 666(d)(5), under Federal programs involving a grant, contract, subsidy, loan, guarantee, insurance and other forms of Federal assistance, to include funds from programs administered by the Community Planning and Development Division of the United States Department of Housing and Urban Development whose purposes were, among other things, to develop viable urban communities by providing decent housing and a suitable living environment and by expanding economic opportunities.

E. Under City of Newark housing and zoning regulations, a CCC had to be obtained from the Newark Department of Engineering, Office of Inspections and Enforcement prior to any change in occupancy of any unit or premises which was used, partially used or intended to be used for human occupancy.

F. The Division of Traffic and Signals was a division within the Newark Department of Engineering. It handled the issuance of permits related to street closures requested for construction and real estate development sites.

G. McCallum and Newark employees involved in handling requests for permits, CCCs, and CCOs were agents of the City of Newark, within the meaning of Title 18, United States Code, Section 666(d)(1).

Defendant Baxter's Conspiracy to Give Bribe Payments to Newark Officials to Advance His Expediting Services

3. From in or about January 2017 to in or about August 2022, in Essex County, in the District of New Jersey, and elsewhere, defendant

LAMONT BAXTER

did knowingly and intentionally conspire and agree with others to corruptly give, offer, and agree to give a thing of value, namely, cash bribes, to agents of a local government agency, with the intent to influence and reward the agents, in connection with a business, transaction and series of transactions of such government agency involving a thing of value of $5,000 and more, contrary to Title 18, United States Code, Sections 666(a)(2).

Goal of the Conspiracy

4. It was a goal of the conspiracy to obtain permits, CCCs, zoning reviews and approvals, and other building and construction-related approvals from the City of Newark on an expedited basis through cash bribe payments that defendant BAXTER and others involved in real estate development, including Developer 1, gave and agreed to give to Newark officials so that these officials completed the official acts that defendant BAXTER requested.

Manner and Means of the Conspiracy

5. It was part of the conspiracy that:

A. Since in or about 2017, Developer 1 began purchasing and developing mainly residential real estate properties in Newark and hired defendant Baxter to provide expediting services in relation to those real estate development projects. Defendant BAXTER advised Developer 1 to make bribe payments (mostly in cash) to certain Newark officials whose assistance was needed to expedite the acquisition of CCCs, permits, and/or to resolve fines and violations issued by Newark inspectors in regards to Developer 1's properties. The value of each and all these real estate and construction-related transactions and matters that the bribe payments were intended to influence and reward exceeded $5,000.

B. Defendant BAXTER would often use the reference "taking care of" a Newark official to indicate to Developer 1 when additional cash or extra payment needed to be added to official fees so that defendant BAXTER could use the additional funds to pay a bribe to a Newark official. For example, if defendant BAXTER was working on expediting the acquisition of a CCC for Developer 1 and needed cash to pay the Newark official who was handling the issuance of the CCC, defendant BAXTER would tell Developer 1 that the Newark official would need "to be taken care of."

C. Whenever Developer 1 needed assistance from defendant BAXTER to expedite a request made to the City of Newark in relation to Developer 1's real estate development projects, and defendant BAXTER told Developer 1 that the Newark official responding to the expedited request needed "to be taken care of" or otherwise told Developer 1 that a bribe payment had to be made, Developer 1 gave cash or extra payment to defendant BAXTER on top of any official fee that was charged by the City of Newark for Developer 1's request. Defendant BAXTER would then use that cash or extra payment to pay a bribe to the Newark official. These bribe payments ranged from hundreds of dollars to thousands of dollars. In exchange for a bribe payment, defendant BAXTER obtained the expedited service that Developer 1 needed from the Newark official.

Overt Acts

6. In furtherance of the conspiracy and to effect its object, defendant BAXTER and others committed and caused to be committed the following overt acts, among others, in the District of New Jersey and elsewhere:

A. From in or about January 2017 to in or about March 2017, defendant BAXTER deposited checks from Developer 1 that covered fees for permits and a CCC needed by Developer 1 for a property in Newark and used part of the deposited money to pay cash bribes to Newark officials for the expedited acquisition of the permits and CCC.

B. In or about August 2020, defendant BAXTER sent a text message to Developer 1 indicating, "okay, what about this CCC, I need to take care of the guy," referring to the cash bribe that defendant BAXTER needed to pay a Newark official from whom defendant BAXTER would obtain the CCC on behalf of Developer 1 on an expedited basis.

C. In or about March 2021, defendant BAXTER exchanged text messages with an individual representing a developer concerning a bribe payment that defendant BAXTER would have to pay a Newark building inspector to obtain expedited action by that inspector.

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

COUNT 2

(Giving Corrupt Payments to Then-Councilmember McCallum in Connection with Developer 1's Real Estate Development Transactions)

1. Paragraphs 1 and 2 of Count 1 of this Information are hereby incorporated and realleged as if set forth fully herein.

2. As part of the expediting services that defendant BAXTER offered and provided to Developer 1, defendant BAXTER paid cash bribes to then-Councilmember McCallum on behalf of Developer 1 who sought McCallum's official assistance in obtaining approvals for real estate projects in Newark.

3. For example, in or about February 2020, on behalf of Developer 1, defendant BAXTER delivered a $5,000 cash bribe to McCallum.

4. From in or about 2019 to in or about February 2020, in Essex County, in the District of New Jersey, defendant

LAMONT BAXTER

did knowingly and corruptly give, offer, and agree to give an agent of a local government, then-Councilmember McCallum, a thing of value, namely, cash bribes of $5,000 and more, intending to influence and reward McCallum, in connection with a business, transaction and series of transactions of the City of Newark involving a thing of value of $5,000 and more, in violation of Title 18, United States Code, Section 666(a)(2) and Section 2.

COUNT 3

(Wire Fraud in Connection with a Purported Bribe Payment of $10,000)

1. Paragraphs 1, 2, 4, 5, and 6 of Count 1 of this Information are hereby incorporated and realleged as if set forth fully herein.

2. In or about August 2022, defendant BAXTER fraudulently obtained $10,000 in cash from Developer 1, ostensibly to perform expediting services on behalf of Developer 2. To obtain that payment, defendant BAXTER falsely represented to Developer 1 that a $10,000 bribe had to paid to a Newark official who handled matters related to permits in Newark ("Newark Official 1") in order for this official to take actions related to the permit in favor of Developer 2. As set forth more fully below, after he obtained the $10,000 bribe payment, defendant BAXTER kept the entire payment for himself and pretended that he had given the payment to Newark Official 1.

3. On or about August 4, 2022, defendant BAXTER met with Developer 1 to discuss outstanding fines related to an expired permit for scaffolding at a building site in Newark under development by Developer 2, who had purchased the building from Developer 1 (the "Broad Street Property"). Defendant BAXTER told Developer 1 that he spoke to Developer 2's project manager about ascertaining the fines owed and extending the permit for a year and that he contacted Newark Official 1, who oversaw the issuance of the type of permit extension needed by Developer 2. Defendant BAXTER then told Developer 1 that Newark Official 1 offered to void the existing fines that otherwise would have to be paid by Developer

2 and offered to extend the scaffolding permit for another year in exchange for $10,000 in cash.

4. Defendant BAXTER also made representations to Developer 1 concerning what Newark Official 1 purportedly said would be the combined total of the fines and extension fee that Developer 2 would otherwise have to pay—which, according to defendant BAXTER, far exceeded $10,000. By making it seem less costly to pay the $10,000 cash bribe instead of paying the official fines and extension fee associated with obtaining a permit extension, defendant BAXTER sought to induce the payment of the $10,000 cash to him, which he purported would be delivered to Newark Official 1.

5. Defendant BAXTER also met with Developer 2's project manager in Brooklyn, New York to relay the same information that he told Developer 1 concerning the $10,000 cash payment that would be paid to Newark Official 1 in lieu of paying the more expensive fines and extension fee that would otherwise have to be paid to the City of Newark for the permit extension.

6. Based on defendant BAXTER's representations concerning the supposedly more cost effective means of extending the permit—specifically, by paying $10,000 in cash to Newark Official 1 instead of paying the actual fines and standard fee for a permit extension—on or about August 18, 2022, defendant BAXTER obtained $10,000 in cash from Developer 1 and assured Developer 1 that Developer 2 and his project manager would no longer have to deal with Newark inspectors levying fines for the expiration of Developer 2's scaffolding permit and

would have a new extended permit.

7. Then, on or about August 19, 2022, defendant BAXTER sent a text message to Developer 1 attaching a picture of the extended scaffolding permit that he obtained for Developer 2.

8. Although defendant BAXTER made representations to Developer 1 and Developer 2's project manager that the $10,000 cash bribe payment was for Newark Official 1, defendant BAXTER kept the cash for himself. Defendant BAXTER used the pretext that Newark Official 1 had to be paid $10,000 in cash to obtain that cash for himself.

9. In or about August 2022, in Essex County, in the District of New Jersey, defendant

LAMONT BAXTER

did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud others and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing and attempting to execute such scheme and artifice, did transmit and cause to be transmitted by means of wire communication in interstate commerce, certain writing, signs, signals, pictures, and sounds, namely, text messages sent by defendant BAXTER concerning an extended scaffolding permit for the Broad Street Property, in violation of Title 18, United States Code, Section 1343.

COUNT 4
(Wire Fraud Conspiracy in Connection with Falsifying Newark Official Documents)

1. Paragraphs 1, 2, 4, 5, and 6 of Count 1 of this Information are hereby incorporated and realleged as if set forth fully herein.

2. In the course of providing his expediting services in Newark, defendant BAXTER also offered assistance in obtaining "cut-in cards," which are certificates of approval issued by the City of Newark notifying the electrical company and/or utility that was to provide electrical services for a property that the required inspection had been conducted at the property and that it was therefore safe to provide electrical services at that property.

3. From in or about January 2017 to in or about August 2022, defendant BAXTER participated in a scheme with others to create, obtain, and deliver falsified and fraudulent documents, including not limited to, cut-in cards, CCOs, and CCCs, that purportedly were issued by the City of Newark to individuals requiring such official documents for development, construction, rental or sale of certain properties in Newark.

4. From in or about 2020 to in or about December 2022, in Essex County, in the District of New Jersey, and elsewhere, defendant

LAMONT BAXTER

and others did knowingly and intentionally conspire and agree with each other and others to devise and execute a scheme and artifice to defraud individuals seeking cut-in cards, CCOs, and CCCs issued by Newark and to obtain money from such individuals by means of materially false and fraudulent pretenses and representations, facilitated by the use of interstate wire transmissions, including but not limited to, text messages sent by defendant BAXTER to others, contrary to Title 18, United States Code, Section 1343.

Goal of the Conspiracy

5. The goal of the conspiracy was for defendant BAXTER and others to enrich themselves by creating fraudulent cut-in cards, CCCs, and CCOs purportedly issued by the City of Newark and selling them to individuals seeking those official documents issued by the City of Newark.

Manner and Means of the Conspiracy

6. It was part of the conspiracy that:

A. Defendant BAXTER and his co-conspirators offered expediting services for a fee that included obtaining, on an expedited basis, cut-in cards, CCCs, and CCOs supposedly issued by the City of Newark for individuals seeking to obtain such official documents in connection with the development, construction, rental or sale of certain properties in Newark.

B. Part of the efforts to induce these individuals to pay the fee charged by defendant BAXTER and his co-conspirators for a cut-in card, CCC, or CCO included false representations that defendant BAXTER and/or his co-conspirators were connected to Newark officials who had the authority and ability to issue the needed cut-in card, CCC, or CCO or to help obtain it on an expedited basis.

7. Defendant BAXTER created falsified and fraudulent versions of cut-in cards, CCCs, and CCOs that supposedly were issued by the City of Newark and provided these fraudulent and falsified documents to co-conspirators who then gave them to the individual seeking the cut-in card, CCC, or CCO in exchange for a payment ranging from hundreds to thousands of dollars from the individual.

8. To effectuate their scheme, defendant BAXTER and his co-conspirators communicated with each other and with individuals seeking a cut-in card, CCC, or CCO by telephone, text messages, and e-mails. For example, from on or about December 30, 2020 to on or about December 31, 2020, while in Newark, New Jersey, defendant BAXTER exchanged text messages with a co-conspirator related to obtaining a falsified and fraudulent CCC for a property on Pennsylvania Avenue in Newark ("Pennsylvania Avenue Property"), and the $3,500 fee that defendant BAXTER would charge for such CCC.

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

<u>COUNTS 5 to 7</u>

(<u>Wire Fraud in Connection with Paycheck Protection Program Loans</u>)

1. Paragraph 1 of Count 1 of this Information is hereby incorporated and realleged as if set forth fully herein.

2. At times relevant to Counts 5 to 7 of this Information:

a. Lender 1 was a financial services company, with offices in New Jersey, that participated as a lender in the Paycheck Protection Program.

b. Lender 2 was a financial services company, with an office in Florida, that participated as a lender in the Paycheck Protection Program.

The Paycheck Protection Program ("PPP")

3. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or around March 2020 designed to provide emergency financial assistance to millions of Americans suffering economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to $349 billion in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the PPP. In or around April 2020, Congress authorized over $300 billion in additional PPP funding.

4. To obtain a PPP loan, a qualifying business had to submit a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative

certifications to be eligible to obtain the PPP loan. In the PPP loan application, the small business, through its authorized representative, had to state, among other things, its average monthly payroll expenses and number of employees. These figures were used to calculate the amount of money the small business was eligible to receive under the PPP. In addition, businesses applying for a PPP loan had to include documentation showing their payroll expenses and other information as part of the application.

5. A PPP loan application had to be processed by a participating lender. If a PPP loan application was approved, the participating lender would fund the PPP loan using its own moneys, which were 100% guaranteed by the U.S. Small Business Administration ("SBA"). Data from the application, including information about the borrower, the total amount of the loan, monthly payroll information, and the listed number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

6. PPP loan proceeds had to be used by the business on certain permissible expenses, including payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business spent the loan proceeds on these expense items within a designated period after receiving the proceeds and used a certain amount of the PPP loan proceeds on payroll expenses.

The Scheme to Defraud

7. From in or about May 2020 through in or about May 2021, in the District of New Jersey and elsewhere, defendant BAXTER did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud lenders and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme and artifice was in substance as set forth below.

8. The goal of the scheme was for defendant BAXTER to enrich himself by fraudulently obtaining and misusing federal COVID-19 emergency relief money.

9. It was part of the scheme that:

a. Defendant BAXTER participated in preparing fraudulent PPP loan applications for his New Jersey-based companies that contained false information concerning, among other things, the companies' gross revenue.

b. Defendant BAXTER also attempted to obtain a PPP loan for a lounge that he did not actually own and control, pretending to be its owner and claiming that the lounge was open even though it had closed well before the COVID-19 pandemic.

c. Defendant BAXTER participated in submitting false documents, including false tax forms, to PPP lenders, including Lender 1, to support the false statements on the PPP loan applications.

Fraudulent Application Relating to Keen Commodities

10. In or about May 2020, defendant BAXTER participated in submitting a PPP loan application to Lender 1 that contained false information concerning a business he owned called Keen Commodities, specifically, concerning its purported gross receipts. The application included a purported IRS Form 1040 Schedule C form (which reports income or loss from a business) for calendar year 2019 showing supposed gross receipts for Keen Commodities, but Internal Revenue Service ("IRS") records show that no such Schedule C form had been filed with the IRS for Keen Commodities.

11. The fraudulent PPP loan application related to Keen Commodities caused Lender 1 to disburse approximately $10,375 in PPP funds via interstate wire on or about July 24, 2020 to a bank account that defendant BAXTER controlled for Keen Commodities ("Keen Commodities Bank Account").

Fraudulent Applications Relating to Lab Holdings LLC

12. From in or about February 2021 to April 2021, defendant BAXTER participated in submitting two PPP loan applications that contained false information concerning a business that he owned called Lab Holdings LLC ("Lab Holdings"), specifically, concerning its purported payroll and gross receipts. The applications also included a purported Schedule C form for calendar year 2019 showing supposed gross receipts for Lab Holdings, but IRS records show that no such Schedule C form had been filed with the IRS for Lab Holdings.

13. These two fraudulent PPP loan applications related to Lab Holdings

caused Lender 1 to disburse approximately $14,160 in PPP funds via interstate wire on or about February 18, 2021 to a bank account that defendant BAXTER controlled for Lab Holdings ("Lab Holdings Bank Account") and caused Lender 2 to disburse approximately $20,833 in PPP funds via interstate wire on or about May 19, 2021 to the Lab Holdings Bank Account.

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

LAMONT BAXTER

having knowingly and intentionally devised and intended to devise the scheme and artifice to defraud described above, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, for the purpose of executing and attempting to execute such scheme and artifice, did cause to be transmitted by means of wire communications in interstate commerce, the following writings, signs, signals, pictures, and sounds:

Count	Approximate Date	Description of Interstate Wire
5	July 24, 2020	An electronic money transfer of approximately $10,375 by Lender 1 to the Keen Commodities Bank Account processed through a server located outside of New Jersey.
6	February 18, 2021	An electronic money transfer of approximately $14,160 by Lender 1 to the Lab Holdings Bank Account processed through a server located outside of New Jersey.
7	May 19, 2021	An electronic money transfer of approximately $20,833 by Lender 2 to the Lab Holdings Bank Account processed through a server located outside of New Jersey.

In violation of Title 18, United States Code, Sections 1343 and 2.

FORFEITURE ALLEGATIONS

1. The allegations contained in all the paragraphs of Counts 3, 5, 6 and 7 of this Information are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. Upon conviction of the offenses charged in Counts 3, 5, 6 and 7 of this Information, defendant

LAMONT BAXTER

shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), all property, real and personal, defendant BAXTER obtained that constituted, or was derived from, proceeds traceable to the commission of the offenses, and all property traceable to such property.

3. If any of the above-described forfeitable property, as a result of any act or omission of defendant BAXTER:

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 28 U.S.C. § 2461(c)), to seek forfeiture of any other property of defendant BAXTER up to the value of the forfeitable property.

John Giordano/VK
JOHN GIORDANNO
United States Attorney