

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

UNITED STATES OF AMERICA	:	Crim. No. 17- <i>CR-481(MCA)</i>
	:	
v.	:	18 U.S.C. § 1951(a)
	:	18 U.S.C. § 981(a)(1)(C)
BILLY A. DONNERSTAG	:	28 U.S.C. § 2461
	:	

INDICTMENT

The Grand Jury, in and for the District of New Jersey, sitting at Newark, charges:

THE DEFENDANT AND COCONSPIRATOR

1. During the time period relevant to the Indictment, unless otherwise indicated:

A. Defendant BILLY A. DONNERSTAG (“defendant DONNERSTAG”) was a resident of Hackettstown, New Jersey and a fire inspector for several local municipalities in New Jersey, including the Borough of Middlesex (“Middlesex”). Defendant DONNERSTAG also operated Safety Associates Training Network, an entity based in Hackettstown, New Jersey that installed and serviced fire protection systems.

B. There was an associate of defendant DONNERSTAG who resided in Kenvil, New Jersey (the “Coconspirator.”) The Coconspirator controlled an entity that owned a property in Middlesex (the “Conspirator’s Entity”).

OTHER INDIVIDUALS

C. There was an individual who owned and operated a real estate development and construction entity that operated in Middlesex and elsewhere (“Individual 1”). Individual 1’s company was involved in the redevelopment of a property in Middlesex and the construction of a series of buildings on that property (the “Construction Project”). Individual 1’s entity operated in and affected interstate commerce.

D. There was an associate of Individual 1 who had supervisory responsibility at the Construction Project (“Individual 2”).

THE CONSTRUCTION PROJECT

E. Pursuant to a sale agreement from in or about May 2007, the Coconspirator (through the Coconspirator’s Entity) agreed to sell a property (the “Property”) for the Construction Project to Individual 1 (through an entity that Individual 1 controlled) for approximately \$2 million, subject to certain adjustments.

F. Subsequent to the sale agreement and at the Coconspirator’s request, Individual 1 agreed to make a series of payments to the Coconspirator before Individual 1 was required to under the terms of the sale agreement. In exchange for receiving these payments sooner than the Coconspirator otherwise would have, pursuant to a series of written agreements, the Coconspirator agreed to reduce the ultimate sale price of the Property. Consequently, Coconspirator received several hundred thousand dollars less than what the Coconspirator would have received several years later pursuant to the sale agreement. In total, the Coconspirator received approximately \$1.6 million from Individual 1’s company for the Property.

G. On multiple occasions from at least as early as in or about December 2016 through in or about May 2017, defendant DONNERSTAG was present at the Construction Project purportedly to conduct fire inspections in his capacity as a fire inspector for Middlesex.

2. From in or about December 2016 to in or about June 2017, in Middlesex County, in the District of New Jersey, and elsewhere, defendant

BILLY A. DONNERSTAG

knowingly and intentionally conspired and agreed with the Coconspirator to obstruct, delay, and affect commerce and the movement of any article and commodity in commerce by extortion, that

is, the obtaining of money from another, with his consent induced by the wrongful use of actual and threatened force, violence, and fear.

THE GOAL OF THE CONSPIRACY

3. It was the goal of the conspiracy for defendant DONNERSTAG and the Coconspirator to obtain a substantial amount of money from Individual 1 through the wrongful use of actual and threatened force, violence, and fear.

OVERVIEW OF THE CONSPIRACY

4. From in or about December 2016 to in or about June 2017, defendant DONNERSTAG and the Coconspirator endeavored to obtain and obtained money from Individual 1 using the suggestion of physical harm to Individual 1 should Individual 1 refuse to hand over a significant amount of money to defendant DONNERSTAG and the Coconspirator.

5. Specifically, in a series of telephone and in-person conversations with Individual 1, defendant DONNERSTAG and the Coconspirator informed Individual 1 that:

- A. defendant DONNERSTAG was in the business of collecting debts;
- B. defendant DONNERSTAG and the Coconspirator wanted Individual 1 to pay the Coconspirator for the stated reason that the Coconspirator had not been paid enough for the sale of the Property, notwithstanding the Coconspirator's prior agreements to reduce the sale price in exchange for earlier payments from Individual 1;
- C. Individual 1 would face serious consequences—including “meet[ing]” defendant DONNERSTAG and that “once he [defendant DONNERSTAG] starts, he don't stop”—if Individual 1 refused to pay them; and
- D. defendant DONNERSTAG and the Coconspirator were disinterested in using the legal system and lawful means to resolve the matter.

6. While endeavoring to obtain a larger sum from Individual 1, defendant DONNERSTAG and the Coconspirator accepted \$15,000 in cash payments from Individual 1. Both defendant DONNERSTAG and the Coconspirator informed Individual 1 that defendant DONNERSTAG would receive a portion of the cash from the Coconspirator.

MANNER AND MEANS OF THE CONSPIRACY

7. To carry out the conspiracy and to effect its unlawful object, defendant DONNERSTAG and the Coconspirator engaged in a variety of means and methods including, among others, those described below.

8. On or about December 8, 2016, while present at the Construction Project purportedly in his role as a fire inspector, defendant DONNERSTAG told Individual 2 that he collected money and that Individual 1 owed the Coconspirator money from the sale of the Property.

9. On or about January 24, 2017, the Coconspirator spoke with Individual 1 by telephone. This conversation was recorded. During the conversation, the Coconspirator raised their 2007 property transaction and told Individual 1 that “[i]t was \$410,000 that you took away from me” and that the Coconspirator believed that “maybe you deserve \$210,000, but I think something should have come back to me—anywhere—something—this is . . . ludicrous.” When Individual 1 explained that their prior deal had been documented and attorneys had been involved, the Coconspirator responded that “this is a man-to-man thing now” and “I’m asking, I’m talking to you as a man-to-man, I don’t care about the laws.” Connecting defendant DONNERSTAG to his demand for money from Individual 1, the Coconspirator stated:

Coconspirator: But all of that money, I’m wondering if there’s some way if we can get, cause Billy always helped me, but Billy knows—this guy Billy—that’s your fire guy...

Individual 1: Who?

Coconspirator: The guy, Billy the guy who stopped down there.

Individual 1: Who . . .

Coconspirator: Did you meet Billy?

Individual 1: No I didn't meet, what's his name?

Coconspirator: Billy ah, Donnerstag. You'll, you'll meet him he's gonna stop down and anyway and talk with you and go over this stuff with you.

10. Later in the telephone conversation, the Coconspirator described defendant DONNERSTAG as "a good friend of mine who's helped me out a few times and he's and I think he's your fire inspector down there," again referring to the Construction Project. The Coconspirator described defendant DONNERSTAG as a collector of debts, in addition to being a fire inspector:

Coconspirator: Yeah he collects, he does that too on the side. He does a lot of stuff. He does a lot of stuff this guy. You know I don't wanna go over the phone. But you'll know, you'll, I mean, you're Italian you're not, you're a smart guy. He goes and collects stuff once a—for other people and stuff, so, but we'll talk—

11. On or about February 16, 2017, the Coconspirator met with Individual 1 at a location in Middlesex. This meeting was recorded. The Coconspirator described the meeting as "man to man between me and you, just to talk" and told Individual 1 that too much money had been deducted from the sale price of the Property and that the Coconspirator wanted approximately \$200,000 from Individual 1. The Coconspirator told Individual 1 that he had been "dwelling on it for month and years" and—referring to defendant DONNERSTAG—stated that "[n]ow I got somebody who's backing me all the way that wants—he's just hell bent for election, you know? And I told him, 'hold back,' let me go see [Individual 1] and talk to him." The Coconspirator and Individual 1 then had the following exchange:

Individual 1: What do you mean, you, somebody—

Coconspirator: The guy who came to see, see you that day.

Individual 1: What's the story with that guy . . . ?

Coconspirator: He's a collector. And when he sees those kind of dollars, he gets a percentage of 'em. He comes hell bent for election. He don't fucking care.

Individual 1: What do you mean he comes "hell bent for election"? Explain to me what that means.

Coconspirator: He comes—he'll collect the money one way or the other that's the way he is. I don't want to get involved in that.

Individual 1: What do you mean? Why would he collect? What, for you, you mean?

Coconspirator: Yes

12. Later in the meeting, the Coconspirator suggested that defendant DONNERSTAG would visit Individual 1 personally if Individual 1 did not pay him and that defendant DONNERSTAG would receive a portion of the money:

Individual 1: And, [the Coconspirator], if I can't pay you?

Coconspirator: I don't know. If—you know—I can only go so far with this guy cause I don't know when he'll stop down to see you.

Individual 1: What is he going to do?

Coconspirator: I have no idea.

. . . .

Coconspirator: Listen, all I'm saying to you is it's better if you cut me some kind of deal because I'm going to end up having to give him some. You know that. That's how it works in this game.

Individual 1: So, if you don't collect—

Coconspirator: He'll collect.

. . . .

Individual 1: But this guy is, is, if okay, let's assume we agree that I'm not paying you anything.

Coconspirator: Then he's away. Oh, you're not—agree? Then you may

get a visit. And he's going to probably want something because he already came out once and that's his problem, and once he starts, he don't stop. He's hopin' I settle it, that's what he's hopin'. And I'm hopin' I can settle it with something, with some kind of figures, I don't care how. . .

13. Subsequently, the Coconspirator reiterated that defendant DONNERSTAG would visit Individual 1 personally if Individual 1 did not pay the Coconspirator and that defendant DONNERSTAG also would have to be paid:

Individual 1: Yeah, but if I tell you I don't agree with you and I don't think you should be entitled to \$200,000, you tell me, you tell me this, this—

Coconspirator: All, I'm saying—

Individual 1: This fucking guy's going to come after my ass.

Coconspirator: No, he's going to come up and discuss with you what we just discussed and, and he's going to say what he says.

Individual 1: So, if I have the same this conversation with him, you think he, he will find them unreasonable?

Coconspirator: I don't know, because he's going to have to get paid somewheres and he's going to want some mon—

Individual 1: But why should he get paid?

Coconspirator: Listen, I don't want to get into that.

14. Following this exchange, the Coconspirator reiterated that he wanted \$200,000 from Individual 1, complained that Individual 1 had not “even made a, an attempt” to pay him, and stated that, with respect to the court system, the Coconspirator did not “even wanna hear about that shit” because “I don't ever go to court with that shit.” The Coconspirator also explained why he enlisted defendant DONNERSTAG, telling Individual 1: “I'm not look—I'm not doing it legal. I'm telling you what I feel and how I feel and I came as a man just to discuss it with you.”

15. After Individual 1 declined initially to pay the Coconspirator, the Coconspirator conveyed to Individual 1 that the Coconspirator would tell this to defendant DONNERSTAG and

that defendant DONNERSTAG would be a problem for Individual 1: “once I got out of here with nothing, I, I can’t stop nothing cause it’s already started and I just can’t. You can deal with it. I mean, you’ll figure a way to deal with it.” The Coconspirator reiterated that Individual 1 should “feed me [the Coconspirator] something.”

16. Following this exchange, Individual 1 questioned the Coconspirator about whether he believed that sending “a guy to talk to [Individual 2]” was causing trouble. The Coconspirator responded that sending defendant DONNERSTAG to speak to Individual 2 was “always trouble—it’s trouble, but it’s stupid trouble.” The Coconspirator then told Individual 1 that he did not “want to get into this talk.” Individual 1 asked the Coconspirator what was the minimum amount of money that the Coconspirator would accept. The Coconspirator responded that he would not make that decision, but again referenced defendant DONNERSTAG by stating that defendant DONNERSTAG had looked at the Construction Project and concluded that Individual 1 has “got money.” Before the Coconspirator left the meeting, Individual 1 told him “you’re fucking me. . .”

17. On or about Saturday, February 25, 2017, the Coconspirator spoke with Individual 1 by telephone. This telephone conversation was recorded. At the outset of the conversation, the Coconspirator told Individual 1 that the Coconspirator was with defendant DONNERSTAG. Defendant DONNERSTAG then came onto the line and described himself to Individual 1 as “the guy that you don’t want to see,” “a problem for you right now,” and “someone that you need to deal with about this issue.”

18. During this telephone conversation, defendant DONNERSTAG was informed by Individual 1 that the 2007 agreement regarding the sale of the Property was a negotiated business transaction in which the Coconspirator wanted his money sooner, that Individual 1 had offered to pay the Coconspirator sooner, but at a discount, and that the Coconspirator had agreed. Defendant DONNERSTAG retorted that Individual 1 had just expressed himself to defendant

DONNERSTAG in a “rude manner” and then told Individual 1 that: “if you were in front of me right now, you’d be on the floor. Okay? Cause I don’t talk—I don’t get talked to like that. You don’t know who I am.” To explain who he was, defendant DONNERSTAG told Individual 1 that he was “not somebody who’s in the yellow pages” and that he did not “do \$20, \$30 you owe me shit.” Defendant DONNERSTAG claimed that he did not “do shakedowns,” but rather that he took “from people who rob.” Defendant DONNERSTAG explained that individuals who did not want to deal with the legal system came to him because “attorneys are gonna suck every bit of money that’s owed to them into the attorney’s pocket” would “rather deal with somebody like me, who’s just very cut and dry” because “I get the job done . . . and I get it done fast. Don’t ask me . . . how I get it done fast, cause you already know how I get it done fast.”

19. To further emphasize the seriousness of defendant DONNERSTAG’S involvement, defendant DONNERSTAG told Individual 1 that he was connected to others regarding the unlawful collection of money:

DONNERSTAG: What I’m saying to you is to find me, first of all, you have to be able to prove that someone owes you a lot of money. A lot of money. And then there’s like three, three different levels of people before you get to me. Because I just don’t stick my neck out for anybody. But my neck is out now. You’re, you’re don’t un—this is what I keep, I keep saying to [the Coconspirator]. My neck is out now. I’m exposed. I am in somebody’s face now.

Also in the telephone conversation, defendant DONNERSTAG stated that it took “three different levels of people to finally get this to me. So apparently three other people below me felt that there was a legitimate claim here.” Defendant DONNERSTAG also noted the Coconspirator’s purported connections, claiming that: “[the Coconspirator’s], con-, I don’t wanna say connected, but [the Coconspirator’s] associated with people, okay?”

20. To further explain who he was and the seriousness of what he did, defendant DONNERSTAG told that Individual 1 to ask others about defendant DONNERSTAG’s father,

whom defendant DONNERSTAG called “Jerry the Jew,” because, according to defendant DONNERSTAG, “that’s what I do.” In the 1970s, Gerald Donnerstag of Belleville, New Jersey, was known as “Jerry the Jew,” reportedly was connected to organized crime, and was convicted of murder in Scranton, Pennsylvania and theft in Essex County, New Jersey.

21. During this telephone conversation, defendant DONNERSTAG made a series of threatening statements to Individual 1 regarding the consequences of failing to pay the Coconspirator, such as:

A. “You need to iron this out with [the Coconspirator]. Again, if, if I have to come meet you now—again, it, it, it, it’d become, it’s gonna be a problem.”

B. “Listen, you want, what you want is you want me out of your hair.”

C. “Now when I get involved, as I told [Individual 2], I don’t go away. I don’t go away, unless you can prove to me that, that it’s not owed.”

D. “What I do, is I make sure that people don’t take advantage of other people. Do you understand that? Now I also do other things, but this is one of the things that I do. Now, again if you’re not figuring wh, what my business is by now, you’re either, and again I, I say this with as much respect as I can, either an idiot, or you’re just lying because you don’t want to, to, to understand that I come from somewhere that most people don’t wanna see.”

E. “So, I’m trying to be a reasonable gentleman here and say to you if you, the smartest thing you could do is deal with this with [the Coconspirator]. You don’t want to see me. As I told [Individual 2], I don’t make myself known a second time. If I have to come to you a second time, it’s not good. I’m being honest with you. I’m being honest with you. I’m not lying to you. I’m being straightforward with you. You don’t want to see me. I’m telling you that. You don’t want to see me. Not in this regard, you don’t want to see me. The smartest move you could make is deal with [the Coconspirator], make him see the light.”

F. “You want me away. You don’t, I don’t give a fuck about [the Coconspirator]. . . . You want me away.”

G. “. . . I am your problem, not [the Coconspirator]. Trust me, I am your problem.”

22. Following this telephone conversation between defendant DONNERSTAG, the Coconspirator, and Individual 1, later on or about February 25, 2017, the Coconspirator spoke with Individual 1 by telephone. This telephone conversation was recorded. Notwithstanding Individual 1’s protests about defendant DONNERSTAG’s involvement, the Coconspirator repeated his demand that Individual 1 pay him \$200,000 or “come up with something else.”

23. On or about Tuesday, February 28, 2017, the Coconspirator spoke with Individual 1 by telephone. This telephone conversation was recorded. During this telephone conversation, the Coconspirator proposed that Individual 1 pay him approximately \$160,000, instead of his initial demand of approximately \$200,000, and explained that if Individual 1 did not pay, defendant DONNERSTAG would visit Individual 1: “. . . if you and I settle, if you and I settle, you don’t have to see Billy again. You don’t even have to hear from him again. But, if we don’t settle, then you gotta meet, you could meet with him. You do what you gotta do. I’m trying to eliminate that.” The Coconspirator further told Individual 1 that he would “worry” if he were in Individual 1’s position and declined to pay the Coconspirator. Individual 1 proposed paying the Coconspirator approximately \$5,000 or \$10,000 until the Construction Project was completed.

24. Later that day, on or about February 28, 2017, the Coconspirator again spoke with Individual 1 by telephone. This telephone conversation was recorded. During this telephone conversation, the Coconspirator told Individual 1 that defendant DONNERSTAG “won’t come and bother anybody if me and you can handle it.” The Coconspirator explained to Individual 1 that he enlisted defendant DONNERSTAG to deal with Individual 1 “[b]ecause I didn’t think that you

wanted to give me anything.” When asked if the Coconspirator could get defendant DONNERSTAG out of the way, the Coconspirator told Individual 1 that “as long as you give me something saying this is what it’s gonna, we’ll, we’ll have it in July, whatever, that’s fine.” The Coconspirator stated that Individual 1 did not have to pay defendant DONNERSTAG, but that the Coconspirator would “have to pay him [defendant DONNERSTAG] out of mine.”

25. On or about March 13, 2017, the Coconspirator spoke with Individual 1 by telephone on two occasions. These telephone conversations were recorded. During these conversations, the Coconspirator told Individual 1 that defendant DONNERSTAG wanted an initial payment of \$40,000, asked Individual 1 how much Individual 1 could pay by the end of March 2017, and asked Individual 1 to let the Coconspirator know “[b]ecause he, he [defendant DONNERSTAG] visits me twice a week.” The Coconspirator reiterated that defendant DONNERSTAG had to “get something out of this thing too” and that defendant DONNERSTAG “want[ed] to get [his money] up front.” The Coconspirator told Individual 1 that Individual 1 needed to pay by the end of March 2017.

26. On or about March 23, 2017, the Coconspirator met with Individual 1 at a location in Middlesex. This meeting was recorded. During the meeting, the Coconspirator obtained \$5,000 in cash from Individual 1. The \$5,000 in cash had been provided to Individual 1 by law enforcement officials. After the Coconspirator obtained the cash from Individual 1, the Coconspirator called defendant DONNERSTAG using his mobile telephone and placed the phone on speaker so that both the Coconspirator and Individual 1 could communicate with defendant DONNERSTAG.

27. After defendant DONNERSTAG joined the conversation, defendant DONNERSTAG again made a series of threatening statements to Individual 1 regarding the consequences of failing to pay including:

A. “if you guys can’t come to a reasonable, a reasonable number . . . if you think that’s reasonable [the reductions in the sale price], stick to your horses [Individual 1], and you’ll meet me, one day, you’ll meet me. It won’t be where you expect it, but you’ll meet me. And you could bring, you could, you could choose your, your, um, . . . skills at that point with me.”

B. “What I’m telling you is, you don’t want to see me.” (To which the Coconspirator added: “You don’t.”).

28. Defendant DONNERSTAG told the Coconspirator that “the five’s fine for now,” referring to the \$5,000 in cash that the Coconspirator had received from Individual 1, and suggested that Individual 1 pay \$60,000 total to the Coconspirator. Defendant DONNERSTAG stated that if Individual 1 paid the Coconspirator this amount, then “I’m out of your hair and [the Coconspirator] is happy, I’ll make [the Coconspirator] happy.” The Coconspirator agreed that he would accept \$60,000 from Individual 1. Individual 1 responded to defendant DONNERSTAG and the Coconspirator that Individual 1 would pay, but that “from my side, this is extortion.”

29. After the Coconspirator ended the telephone call with defendant DONNERSTAG, the Coconspirator told Individual 1 that “families in New York” that the Coconspirator was connected to had sent defendant DONNERSTAG to the Coconspirator.

30. On or about June 2, 2017, after several telephone communications between the Coconspirator and Individual 1, the Coconspirator again met with Individual 1 at a location in Middlesex. This meeting was recorded. During the meeting, the Coconspirator obtained \$10,000 in cash from Individual 1. The \$10,000 in cash had been provided to Individual 1 by law enforcement officials. The Coconspirator told Individual 1 that defendant DONNERSTAG wanted Individual 1 to commit to paying the remainder of the \$60,000 by a specific date in June and that defendant DONNERSTAG considered the \$10,000 that the Coconspirator had obtained “just like interest payment to him.” The Coconspirator explained that he had to pay the majority of the

money to defendant DONNERSTAG and that: "I might get a grand. That's the way this shit works with these guys. We're in, sometimes we're in the wrong business" the Coconspirator and Individual 1 then had the following exchange:

Individual 1: Why? Why do you deal with these guys?

Coconspirator: Cause I, [Individual 1], you wouldn't have helped me to give me it to begin with.

Individual 1: That's not true. Why do you deal with this guy?

Coconspirator: I had to at the point, cause I needed the money. I needed to get money together, cause I'm buying my house. I'm finishing up on this house. I bought it on a short sale, and I need money.

Individual 1: And what's the story with Billy?

Coconspirator: Billy's a guy just does this kinda shit. He's got money, he does stuff like this. This is what he does. The guys in New York I know when they need something taken care of, they don't get involved, they call him. . . .

In violation of Title 18, United States Code, Section 1951(a).

FORFEITURE ALLEGATIONS

1. The allegations contained in paragraphs 1 through 30 of this Indictment are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 28, United States Code, Section 2461(c).

2. The United States hereby gives notice to defendant DONNERSTAG that, upon conviction of the offense charged in this Indictment, the United States will seek forfeiture, in accordance with Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 981(a)(1)(C), of any and all property, real or personal, that constitutes or is derived from proceeds traceable to the violation of Title 18, United States Code, Section 1951(a) alleged in this Indictment, including but not limited to the following: a sum of money equal to at least \$15,000 in United States currency.

3. If by any act or omission of defendant DONNERSTAG, any of the property subject to forfeiture described in paragraph 2 above (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, the United States will be entitled to forfeiture of substitute property up to the value of the property described above in paragraph 2, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

A TRUE BILL

FOREPERSON

William E. Fitzpatrick, Jr.
WILLIAM E. FITZPATRICK
ACTING UNITED STATES ATTORNEY *WES*

CASE NUMBER: 17-CA-481(MCA)

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

BILLY A. DONNERSTAG

INDICTMENT FOR

- 18 U.S.C. § 1951(a)
- 18 U.S.C. § 981(a)(1)(C)
- 28 U.S.C. § 2461

A True Bill,

Foreperson

WILLIAM E. FITZPATRICK
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NEWARK, NEW JERSEY

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(Ed. 1/97)