

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

UNITED STATES OF AMERICA	:	Hon.
v.	:	Criminal No. 18-
ERIK LOWE	:	18 U.S.C. §§ 981(a)(1)(C) and 1951(a);
	:	28 U.S.C. § 2461

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 Extort Under Color of Official Right Affecting Interstate Commerce)

Defendant, Coconspirator and Entities

1. At times relevant to Count 1 of this Information:
 - a. Defendant ERIK LOWE ("LOWE") was a Commissioner of the Paterson Municipal Utilities Authority (the "MUA"), having been appointed to this position in or about February 2009. In his capacity as an MUA Commissioner, LOWE exercised control over the MUA's finances from approximately 2009 to in or about late May 2015. At no time was LOWE authorized to expend MUA funds for his personal benefit.
 - b. The MUA was an entity created pursuant to the Municipal and County Utilities Law of New Jersey and adopted by the City of Paterson, New Jersey on or about June 29, 1981 pursuant to a Paterson City ordinance. The MUA was created to manage a 1914 hydroelectric plant on the Passaic River and to care for and manage certain surrounding properties. The hydroelectric plant was operated during the relevant time period by third parties under the terms of lease agreements, pursuant to which the MUA received rental income from the third parties. The MUA also received certain funding from the State of New Jersey. The MUA purchased goods and services in interstate

commerce. The MUA was dissolved by the City of Paterson in or about November 2014.

- c. Coconspirator CARNELL BASKERVILLE ("BASKERVILLE") was a self-employed contractor who operated Carnell's General Contracting, LLC based in Linden, New Jersey, which provided general contracting services for both residential homes and commercial businesses. In so doing, BASKERVILLE and his business purchased goods and services in interstate commerce.

The Conspiracy

2. From in or about December 2014 to in or about May 2015, in Passaic County, in the District of New Jersey, and elsewhere, defendant

ERIK LOWE

knowingly and intentionally conspired with CARNELL BASKERVILLE and another to obstruct, delay and affect interstate commerce by extortion under color of official right.

Goal of the Conspiracy

3. It was a goal of the conspiracy for LOWE to approve MUA payments to BASKERVILLE for services purportedly rendered to the MUA and then for LOWE, among others, to receive as a kickback a portion of those payments to BASKERVILLE, in exchange for, among other things, (a) LOWE's official assistance in approving the payments and (b) the violation of LOWE's legal duties as an MUA Commissioner.

The Corrupt Activity

4. It was part of the conspiracy that:

(A) On or about December 14, 2014, LOWE issued an MUA check in the amount of \$20,500 to BASKERVILLE purportedly for "steam plant repair," according to the false notation on the memo portion of the check, knowing that no such services had been or would be

provided by BASKERVILLE to the MUA. LOWE thereafter accepted from BASKERVILLE a share of this payment in cash after BASKERVILLE cashed the check at a bank in Totowa, New Jersey. On or about December 16, 2014, LOWE deposited \$6,800 in cash into a bank account in Totowa over which he exercised power of attorney (the "LOWE Account").

(B) On or about January 9, 2015, LOWE issued an MUA check in the amount of \$15,000 to BASKERVILLE purportedly for "hydroplant scaffolding renovat[ion]/repair," according to the false notation on the memo portion of the check, knowing that no such services had been or would be provided by BASKERVILLE to the MUA. LOWE thereafter accepted from BASKERVILLE a share of this payment in cash after BASKERVILLE cashed the check at a bank in Totowa. On or about January 9, 2015, LOWE deposited \$4,700 in cash into the LOWE Account in Totowa.

(C) On or about February 6, 2015, LOWE issued an MUA check in the amount of \$30,000 issued to BASKERVILLE purportedly as a "final payment," according to the false notation on the memo portion of the check, knowing that no services had been or would be provided by BASKERVILLE to the MUA. LOWE thereafter accepted from BASKERVILLE a share of this payment in cash after BASKERVILLE deposited the check into BASKERVILLE's account at a bank in Totowa. On or about February 6, 2015, LOWE deposited \$8,500 in cash into the LOWE Account in Totowa.

(D) On or about March 10, 2015, LOWE issued an MUA check in the amount of \$36,000 to BASKERVILLE purportedly for "cement & foundation/plant & overlook" work, according to the false notation on the memo portion of the check, knowing that no such services had been or would be provided by BASKERVILLE to the MUA. LOWE accepted from BASKERVILLE a share of this payment in cash after BASKERVILLE had deposited the

check into BASKERVILLE's bank account and had withdrawn approximately \$15,000 in cash at a bank in Totowa. On or about March 10, 2015, LOWE deposited \$5,000 in cash into the LOWE Account in Totowa, and on or about March 19, 2015, he deposited \$4,700 in cash into the same account.

(E) On or about May 8, 2015, LOWE issued an MUA check in the amount of \$45,000 to BASKERVILLE purportedly as a "[f]inal invoice 2014" payment, according to the false notation on the memo portion of the check, knowing that no services had been provided by BASKERVILLE during 2014 or would be provided in the future by BASKERVILLE to the MUA. LOWE accepted from BASKERVILLE a share of this payment in cash after BASKERVILLE had deposited the check into BASKERVILLE's account and had withdrawn \$15,000 in cash at a bank in Totowa. On or about May 8, 2015, LOWE deposited \$8,000 into the LOWE Account in Totowa.

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

COUNT 2

(Extortion Under Color of Official Right Affecting Interstate Commerce)

Defendant, Coschemer and Entities

1. Paragraphs 1a and 1b of Count 1 of this Information are repeated and realleged herein.

2. At all times relevant to Count 2 of this Information, Coschemer 1 was a self-employed contractor whose company, among other things, installed and repaired fences for residential homes and commercial businesses. In so doing, Coschemer 1 and his business purchased goods and services in interstate commerce.

The Scheme

3. From in or about August 2012 to in or about November 2014, in Passaic County, in the District of New Jersey, and elsewhere, defendant

ERIK LOWE

did knowingly and willfully obstruct, delay and affect interstate commerce by extortion under color of official right – that is, accepting and agreeing to accept from Coschemer 1, with his consent, kickbacks for services purportedly rendered to the MUA in exchange for agreeing to exercise official action and influence pertaining to work on MUA matters as specific opportunities arose.

4. It was part of the corrupt activity that:

(A) On or about August 1, 2012, LOWE issued an MUA check in the amount of \$8,700 to Coschemer 1 purportedly for “Fence Repair [in] Paterson,” according to the

notation on the memo portion of the check, for work performed by Coschemer 1 on behalf of the MUA. LOWE inflated the amount of the check beyond the legitimate cost of the job and instructed Coschemer 1 to cash the check at a bank in Totowa. LOWE thereafter accepted a share of this payment in cash from Coschemer 1. On or about August 1, 2012, LOWE deposited \$6,000 in cash into the LOWE Account in Totowa.

(B) On or about March 12, 2013, LOWE issued an MUA check in the amount of \$12,000 to Coschemer 1 purportedly in relation to a "Fence deposit," according to the notation on the memo portion of the check, for work performed by Coschemer 1 on behalf of the MUA. LOWE inflated the amount of the check beyond the legitimate cost of the job and instructed Coschemer 1 to cash the check at a bank in Totowa. LOWE thereafter accepted a share of this payment in cash from Coschemer 1.

(C) On or about March 28, 2013, LOWE issued an MUA check in the amount of \$20,800 to Coschemer 1 purportedly for "Fence Repair" according to the notation on the memo portion of the check, for work performed by Coschemer 1 on behalf of the MUA. LOWE inflated the amount of the check beyond the legitimate cost of the job and instructed Coschemer 1 to cash the check at a bank in Totowa. LOWE thereafter accepted a share of this payment in cash from Coschemer 1.

(D) On or about May 1, 2013, LOWE issued an MUA check in the amount of \$6,200 to Coschemer 1 purportedly for "Emergency Fence Repair" according to the notation on the memo portion of the check, for work performed by Coschemer 1 on behalf of the MUA. LOWE inflated the amount of the check beyond the legitimate cost of the job and instructed Coschemer 1 to cash the check at a bank in Totowa. LOWE thereafter accepted a share of this payment in cash from Coschemer 1.

(E) On or about June 5, 2013, LOWE issued an MUA check in the amount of \$9,000 to Coschemer 1 for unspecified work performed by Coschemer 1 on behalf of the MUA. LOWE inflated the amount of the check beyond the legitimate cost of the job and instructed Coschemer 1 to cash the check at a bank in Totowa. LOWE thereafter accepted a share of this payment in cash from Coschemer 1. On or about June 5, 2013, LOWE deposited \$3,400 in cash into the LOWE Account in Totowa.

(F) On or about July 22, 2013, LOWE issued an MUA check in the amount of \$9,500 to Coschemer 1 for work performed by Coschemer 1 on behalf of the MUA. LOWE inflated the amount of the check beyond the legitimate cost of the job and instructed Coschemer 1 to cash the check at a bank in Totowa. LOWE thereafter accepted a share of this payment in cash from Coschemer 1.

(G) On or about August 16, 2013, LOWE issued an MUA check in the amount of \$8,000 to Coschemer 1 purportedly in relation to a "Tree fall," according to the notation on the memo portion of the check, for work performed by Coschemer 1 on behalf of the MUA. LOWE inflated the amount of the check beyond the legitimate cost of the job and instructed Coschemer 1 to cash the check at a bank in Totowa. LOWE thereafter accepted a share of this payment in cash from Coschemer 1. On or about August 16, 2013, LOWE deposited \$3,500 in cash into the LOWE Account in Totowa.

(H) On or about September 13, 2013, LOWE issued an MUA check in the amount of \$10,500 to Coschemer 1 purportedly in relation to "Fence@ . . . replacement," according to the notation on the memo portion of the check, for work performed by Coschemer 1 on behalf of the MUA. LOWE inflated the amount of the check beyond the legitimate cost of the job and instructed Coschemer 1 to cash the check at a bank in Totowa. LOWE thereafter accepted a

share of this payment in cash from Coschemer 1. On or about September 13, 2013, LOWE deposited \$5,200 in cash into the LOWE Account in Totowa.

(I) On or about November 13, 2013, LOWE issued an MUA check in the amount of \$9,500 to Coschemer 1 purportedly in relation to work at "MEK Park," according to the notation on the memo portion of the check, for work performed by Coschemer 1 on behalf of the MUA. LOWE inflated the amount of the check beyond the legitimate cost of the job and instructed Coschemer 1 to cash the check at a bank in Totowa, New Jersey. LOWE thereafter accepted a share of this payment in cash from Coschemer 1.

(J) On or about December 12, 2013, LOWE issued an MUA check in the amount of \$8,500 to Coschemer 1 purportedly for a "Power Plant-Fence" according to the notation on the memo portion of the check, for work performed by Coschemer 1 on behalf of the MUA. LOWE inflated the amount of the check beyond the legitimate cost of the job and instructed Coschemer 1 to cash the check at a bank in Totowa. LOWE thereafter accepted a share of this payment in cash from Coschemer 1. On or about December 12, 2013, LOWE deposited \$3,800 in cash into the LOWE Account in Totowa.

(K) On or about July 3, 2014, LOWE issued an MUA check in the amount of \$8,500 to Coschemer 1 purportedly for "Fence Repair," according to the false notation on the memo portion of the check, knowing that no such services had been or would be provided by Coschemer 1 to the MUA. LOWE instructed Coschemer 1 to cash the check at a bank in Totowa. LOWE thereafter accepted a share of this payment in cash from Coschemer 1.

(L) On or about July 8, 2014, LOWE issued an MUA check in the amount of \$9,000 to Coschemer 1 purportedly in relation to "Fence litup and install," according to the false notation on the memo portion of the check, knowing that no such services had been or would be

provided by Coschemer 1 to the MUA. LOWE instructed Coschemer 1 to cash the check at a bank in Totowa. LOWE thereafter accepted a share of this payment in cash from Coschemer 1. On or about July 8, 2014, LOWE deposited \$3,000 in cash into the LOWE Account in Totowa.

(M) On or about September 12, 2014, LOWE issued an MUA check in the amount of \$9,500 to Coschemer 1 purportedly for "Fencing/Slim Rail Replacement," according to the false notation on the memo portion of the check, knowing that no such services had been or would be provided by Coschemer 1 to the MUA. LOWE instructed Coschemer 1 to cash the check at a bank in Totowa. LOWE thereafter accepted a share of this payment in cash from Coschemer 1. On or about September 12, 2014, LOWE deposited \$4,000 in cash into the LOWE Account in Totowa.

(N) On or about November 7, 2014, LOWE issued an MUA check in the amount of \$12,000 to Coschemer 1 purportedly for "New MEK Fencing," according to the false notation on the memo portion of the check, knowing that no such services had been or would be provided by Coschemer 1 to the MUA. LOWE instructed Coschemer 1 to cash the check at a bank in Totowa. LOWE thereafter accepted a share of this payment in cash from Coschemer 1. On or about November 7, 2014, LOWE deposited \$4,500 in cash into the LOWE Account in Totowa.

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

FORFEITURE ALLEGATION

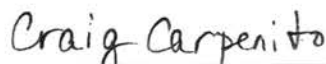
1. As a result of committing the aforementioned offenses in violation of Title 18, United States Code, Section 1951(a) charged in Counts 1 and 2 of this Information, defendant ERIK LOWE shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, any and all property, real and personal, that constituted and was derived from proceeds that defendant LOWE obtained that were traceable to the commission of the above offenses, including, but not limited to, a money judgment in the amount of \$75,000 in United States currency, in that such sum constituted and was derived directly and indirectly, from proceeds traceable to the commission of the offenses.

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

- (1) cannot be located upon exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third party;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) 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), to seek forfeiture of any other property of LOWE up to the value of the above forfeitable property.

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


CRAIG CARPENITO
United States Attorney
District of New Jersey

CASE NUMBER: _____

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

ERIK LOWE

INFORMATION FOR

Title 18, United States Code, Sections 981(a)(1)(C)
and 1951(a); 28 United States Code, Section 2461

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