

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Kevin McNulty
v. : Crim. No. 20-709
JEANMARIE ZAHORE : 18 U.S.C. §§ 666(a)(2), 1343, 1346,
1952(a)(3) and § 2

INDICTMENT

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

COUNT 1

(Making Corrupt Payments to an Agent of a Local Government Receiving Federal Funds)

1. During the time period relevant to Count 1 of this Indictment:

A. Defendant JEANMARIE ZAHORE (“defendant ZAHORE”) was the sole owner of JZ Nettech, a computer consulting business which he operated out of his residence in Rahway, New Jersey.

B. Individual 1, an associate of defendant ZAHORE, was a public official in the local government of the City of Orange Township, New Jersey (“Orange”) through the period ending on or about December 31, 2015. During that period, Individual 1 was in a position to take and influence, and did take and influence, actions taken by and on behalf of Orange, and Individual 1 was an agent of Orange, within the meaning of Title 18, United States Code, Section 666(d)(1).

C. Orange received benefits in excess of \$10,000 under Federal programs involving grants, contracts, subsidies, loans, guarantees, insurance, and other forms of Federal

assistance within the relevant 12-month time period, within the meaning of Title 18, United States Code, Sections 666(b) and 666(d)(5).

D. A municipal complex located in Orange on Park Street housed the Orange Municipal Court and the Orange Police Department (the “Municipal Complex”).

E. On or about September 15, 2015, the Orange City Council passed a resolution awarding JZ Nettech a \$350,000 emergency contract to install a computer networking system at the Municipal Complex (the “Municipal Complex Project”). The term of the contract was from on or about September 16, 2015 through on or about September 15, 2016.

The Corrupt Payments Scheme

2. From at least on or about August 31, 2015 through in or about November 2015, defendant ZAHORE engaged in a scheme to offer and give corrupt cash payments to Individual 1 to influence and reward Individual 1 for using Individual 1’s influence as an Orange public official to arrange for Orange to award JZ Nettech the contract for the Municipal Complex Project and to facilitate payments from Orange to JZ Nettech totaling \$350,000, as described below.

A. On or about August 31, 2015, defendant ZAHORE and Individual 1 exchanged the following text messages (all text messages below are set forth verbatim):

SOURCE	TEXT MESSAGE
ZAHORE CELL PHONE	“Hey [Individual 1], I trust all is well. We played phone tag a couple of times. Let me know what time is good for me to come by your office today or tomorrow. Jean Z.”
INDIVIDUAL 1 CELL PHONE	“Tomorrow at 2 my office is that ok?”

SOURCE	TEXT MESSAGE
ZAHORE CELL PHONE	"Yes, it is. See you tomorrow. Thanks"

B. On or about September 3, 2015, defendant ZAHORE and Individual 1 exchanged the following text messages:

SOURCE	TEXT MESSAGE
ZAHORE CELL PHONE	"On my way"
INDIVIDUAL 1 CELL PHONE	"Meet me at city hall my office"
ZAHORE CELL PHONE	"In Orange?"
INDIVIDUAL 1 CELL PHONE	"Yes"

C. On or about September 14, 2015, at a meeting at the Municipal Complex, Individual 1 advised a senior official of the Orange Municipal Court (the "Court Official") and a senior official of the Orange Police Department (the "Police Department Official") that: (a) there was an urgent need to address a potential security vulnerability in the Municipal Complex's computer network, and (b) JZ Nettech had been selected as the vendor to fix the problem. That same day, Individual 1 caused Orange to issue a Certification of Funds, certifying that \$350,000 was available for the Municipal Complex Project and identifying the vendor as JZ Nettech.

D. On or about September 14, 2015, defendant ZAHORE and Individual 1 exchanged the following text messages:

SOURCE	TEXT MESSAGE
ZAHORE CELL PHONE	"Let me know what time you will be home. I probably can stop by tonight."
INDIVIDUAL 1 CELL PHONE	"K"
INDIVIDUAL 1 CELL PHONE	"I'm finish with my meeting where are you"
ZAHORE CELL PHONE	"I am in Union. Where do want to meet?"
INDIVIDUAL 1 CELL PHONE	"My house"
ZAHORE CELL PHONE	"Ok. See you there in 25mins"

E. On or about September 15, 2015, defendant ZAHORE sent an email to Individual 1, thanking Individual 1 for sending him a Political Contribution Disclosure Form that Orange vendors were required to complete.

F. On or about September 15, 2015, defendant ZAHORE and Individual 1 exchanged the following text messages:

SOURCE	TEXT MESSAGE
ZAHORE CELL PHONE	"On my way to your office to drop off the document."
INDIVIDUAL 1 CELL PHONE	"K, see [an Orange employee who reported to Individual 1]"
ZAHORE CELL PHONE	"Will do"
INDIVIDUAL 1 CELL PHONE	"Urgent! Need business Regerstration"

SOURCE	TEXT MESSAGE
ZAHORE CELL PHONE	"Am driving will fax it over soon"
ZAHORE CELL PHONE	"Are you still in the office?"
INDIVIDUAL 1 CELL PHONE	"Yes"
ZAHORE CELL PHONE	"I am on my way"
INDIVIDUAL 1 CELL PHONE	"Ok"

G. On or about September 15, 2015, defendant ZAHORE submitted documentation to Orange to be able to obtain the contract for the Municipal Complex Project including, as Individual 1 had directed, a Political Contribution Disclosure Form and a Business Registration Certificate. That same day, Individual 1 spoke before the Orange City Council in support of allocating emergency funds for the Municipal Complex Project and awarding the Municipal Complex Project to JZ Nettech. The Court Official and the Police Department Official also addressed the Orange City Council, relying on information that Individual 1 had provided to them. At the meeting, during which Orange City Council members raised questions about the selection of JZ Nettech as the vendor for the Municipal Complex Project, Individual 1 did not disclose that Individual 1 had engaged in communications with defendant ZAHORE since at least August 31, 2015.

H. On or about September 15, 2015, after the Orange City Council had awarded the \$350,000 emergency contract, without competitive bidding, to JZ Nettech, defendant ZAHORE and Individual 1 exchanged the following text messages:

SOURCE	TEXT MESSAGE
INDIVIDUAL 1 CELL PHONE	"I Need to see you ASAP!!"
ZAHORE CELL PHONE	"What is going on? I will stop by the office in the am"

I. On or about September 16, 2015, defendant ZAHORE and Individual 1 exchanged the following text messages:

SOURCE	TEXT MESSAGE
INDIVIDUAL 1 CELL PHONE	"Can you meet me at my place at 8am?"
ZAHORE CELL PHONE	"What is the room#?"
INDIVIDUAL 1 CELL PHONE	"3167"
ZAHORE CELL PHONE	"I am here"
ZAHORE CELL PHONE	"I just missed you"
INDIVIDUAL 1 CELL PHONE	"Come upstairs to rm 4154"
ZAHORE CELL PHONE	"Ok"

J. On or about September 16, 2015, Individual 1 approved and caused to be approved the issuance of a blanket purchase order authorizing Orange to pay JZ Nettech \$350,000 in connection with the Municipal Complex Project.

K. On or about September 17, 2015, defendant ZAHORE and Individual 1 exchanged the following text messages:

SOURCE	TEXT MESSAGE
ZAHORE CELL PHONE	"Hey [Individual 1]. How r u? [An employee in Orange's Finance Department ("Orange Employee 1")] is requesting an invoice already should I give something?"
ZAHORE CELL PHONE	"Or should I make one and give it to you?"
INDIVIDUAL 1 CELL PHONE	"When can you meet?"
ZAHORE CELL PHONE	"Yes"
INDIVIDUAL 1 CELL PHONE	"When can you meet?"
ZAHORE CELL PHONE	"12:30pm"
ZAHORE CELL PHONE	"In your office?"
INDIVIDUAL 1 CELL PHONE	[Location provided by Individual 1]
ZAHORE CELL PHONE	"Ok"
ZAHORE CELL PHONE	"I am at [location provided by Individual 1]. Where r u?"

L. On or about September 17, 2015, defendant ZAHORE sent an email to Orange Employee 1, using a server located outside of New Jersey, attached to which was a JZ

Nettech “invoice related to the 1st stage of the project” seeking a payment from Orange of \$115,000.

M. On or about September 17, 2015, defendant ZAHORE sent a text message to Individual 1, stating, “I sent [the JZ Nettech invoice for \$115,000] to [Orange Employee 1]. Do you want a copy sent to u?”

N. On or about September 18, 2015, defendant ZAHORE sent an email to Orange Employee 1, using a server located outside of New Jersey, attached to which was a revised JZ Nettech invoice, still seeking a payment of \$115,000 from Orange, but now indicating that approximately \$34,460 of the \$115,000 was for the “Purchase of wiring for buildings.” Also on or about September 18, 2015, defendant ZAHORE and Individual 1 exchanged the following text messages:

SOURCE	TEXT MESSAGE
ZAHORE CELL PHONE	“How r u today? R u in the office today? I plan to come by..”
INDIVIDUAL 1 CELL PHONE	“Yes”
ZAHORE CELL PHONE	“Ok. I am on my way.”

O. On or about September 18, 2015, at Individual 1’s direction, the Police Department Official signed and approved a purchase order for the payment of \$115,000 to JZ Nettech for the “PURCH[ASE] OF WIRING/CABLE/SUPPLIES” for the Municipal Complex Project. Typically, vendors are not pre-paid by Orange to purchase supplies for a project.

Thereafter, the Police Department Official gave updates to Individual 1 about the progress of the Municipal Complex Project.

P. On or about September 18, 2015, defendant ZAHORE received a check in the amount of \$115,000 payable to JZ Nettech, which Individual 1 caused Orange to issue in connection with the Municipal Complex Project (the "\$115,000 Orange check"). Defendant ZAHORE deposited the \$115,000 Orange check in a bank account in the name of defendant ZAHORE "DBA JZ NETTECH" (the "JZ Nettech bank account") on or about the same date.

Q. On or about September 19, 2015, defendant ZAHORE and Individual 1 went out together at night to celebrate the award of the \$350,000 emergency contract to JZ Nettech for the Municipal Complex Project.

R. On or about October 7, 2015, defendant ZAHORE sent an email to Orange Employee 1, using a server located outside of New Jersey, attached to which was a Purchase Order that defendant ZAHORE had signed calling for a payment of \$140,000 from Orange in connection with the Municipal Complex Project.

S. On or about October 9, 2015, defendant ZAHORE deposited a check in the amount of \$140,000 issued by Orange and payable to JZ Nettech in connection with the Municipal Complex Project in the JZ Nettech bank account at a bank branch in New Jersey.

T. On or about November 9, 2015, defendant ZAHORE sent an email to Orange Employee 1, using a server located outside of New Jersey, attached to which was a JZ Nettech invoice seeking a payment of \$95,000 from Orange in connection with the Municipal Complex Project.

U. On or about November 10, 2015, defendant ZAHORE deposited a check in the amount of \$95,000 issued by Orange and payable to JZ Nettech in connection with the Municipal Complex Project in the JZ Nettech bank account at a bank branch in New Jersey.

V. On or about November 20, 2015, defendant ZAHORE sent Individual 1 a text message asking, “Morning, will u be at [an identified location] today?”

W. On or about November 20, 2015, defendant ZAHORE withdrew and caused the withdrawal of approximately \$20,000 in cash from the JZ Nettech bank account (the “approximately \$20,000 cash proceeds”), which was obtained, in substantial part, from the funds paid by Orange.

X. On or about November 20, 2015, while in New Jersey, defendant ZAHORE gave, and Individual 1 accepted, approximately \$10,000 in cash from the approximately \$20,000 cash proceeds, which was intended to influence and reward Individual 1 for Individual 1’s assistance in connection with the Municipal Complex Project. Defendant ZAHORE characterized that cash payment to Individual 1 in a spreadsheet that defendant ZAHORE maintained of expenses related to the Municipal Complex Project as follows:

11/20/2015	Gift: [Initials of Individual 1]	\$10,000.00
------------	----------------------------------	-------------

Y. On or about November 23, 2015, defendant ZAHORE withdrew and caused the withdrawal of approximately \$30,000 from the JZ Nettech bank account (the “approximately \$30,000 cash proceeds”), which was obtained, in substantial part, from funds paid by Orange.

Z. On or about November 23, 2015, defendant ZAHORE gave, and Individual 1 accepted, approximately \$10,000 in cash from the approximately \$30,000 cash proceeds, which was intended to influence and reward Individual 1 in connection with the Municipal Complex Project. Defendant ZAHORE characterized that cash payment to Individual 1 in a spreadsheet that defendant ZAHORE maintained of expenses related to the Municipal Complex Project as follows:

11/23/2015	Gift: [Initials of Individual 1]	\$10,000.00
------------	----------------------------------	-------------

3. From at least on or about August 31, 2015 through in or about November 2015, in the District of New Jersey, and elsewhere, defendant

JEANMARIE ZAHORE

did corruptly give, offer, and agree to give to Individual 1, an agent of Orange, cash payments totaling well over \$5,000 and more, as referred to in Paragraphs 2.X and 2.Z above, with the intent to influence and reward Individual 1 in connection with a business, transaction, and series of transactions of Orange involving a thing of value of \$5,000 and more, namely, the Municipal Complex Project.

In violation of Title 18, United States Code, Section 666(a)(2) and Section 2.

COUNTS 2 and 3

(Wire Fraud)

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

2. During the time period relevant to Counts 2 and 3 of this Indictment, Orange and its citizens had an intangible right to the honest services of their public officials. As an Orange public official, Individual 1 owed Orange and its citizens a duty to refrain from seeking and receiving secret bribes and kickbacks in exchange for Individual 1's official action and influence and for violating his duties as an Orange public official.

3. From at least on or about August 31, 2015 through in or about November 2015, in the District of New Jersey, and elsewhere, defendant

JEANMARIE ZAHORE

and Individual 1 knowingly did devise and intend to devise a scheme and artifice to defraud Orange of the right to Individual 1's honest services as an Orange public official by means of materially false and fraudulent pretenses, representations, and promises.

4. On or about the dates set forth below, in the District of New Jersey and elsewhere, for the purposes of executing and attempting to execute this scheme and artifice to defraud, defendant

JEANMARIE ZAHORE

knowingly and intentionally did transmit and cause to be transmitted by means of wire, radio and television communications in interstate commerce, certain writings, signs, signals, pictures and sounds, as listed below:

COUNT	DATE	WIRE COMMUNICATION
2	October 7, 2015	Defendant ZAHORE's email to Orange Employee 1, using a server located outside of New Jersey, attached to which was a Purchase Order signed by defendant ZAHORE calling for a payment of \$140,000 from Orange in connection with the Municipal Complex Project.
3	November 9, 2015	Defendant ZAHORE's email to Orange Employee 1, using a server located outside of New Jersey, attached to which was a JZ Nettech invoice seeking a payment of \$95,000 from Orange in connection with the Municipal Complex Project.

In violation of Title 18, United States Code, Sections 1343 and 1346, and Section

2.

COUNT 4

(Use of a Facility in Interstate Commerce
to Promote, Manage, Establish, Carry On, and Facilitate Bribery)

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

2. On or about November 9, 2015, in the District of New Jersey, and elsewhere, defendant

JEANMARIE ZAHORE

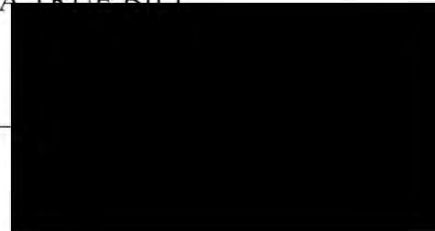
knowingly did use a facility in interstate commerce with the intent to promote, manage, establish, and carry on, and facilitate the promotion, management, establishment, and carrying on of an unlawful activity—namely, bribery, contrary to N.J.S.A. 2C:27-2—and, thereafter, did perform and attempt to perform acts to promote, manage, establish, and carry on, and facilitate the promotion, management, establishment, and carrying on of such unlawful activity, as follows:

DATE	USE OF FACILITY IN INTERSTATE COMMERCE	ACTS PERFORMED THEREAFTER
November 9, 2015	Defendant ZAHORE emailed Orange Employee 1, using a server located outside of New Jersey, and attached a JZ Nettech invoice seeking a payment of \$95,000 from Orange in connection with the Municipal Complex Project.	On or about November 20, 2015, defendant ZAHORE withdrew and caused the withdrawal of approximately \$20,000 in cash from the JZ Nettech bank account, which was obtained, in substantial part, from the funds paid by Orange.
		On or about November 20, 2015, defendant ZAHORE conferred approximately \$10,000 in cash, from the approximately \$20,000 cash proceeds, on Individual 1.

DATE	USE OF FACILITY IN INTERSTATE COMMERCE	ACTS PERFORMED THEREAFTER
		<p>On or about November 23, 2015, defendant ZAHORE withdrew and caused the withdrawal of approximately \$30,000 in cash from the JZ Nettech bank account, which was obtained, in substantial part, from the funds paid by Orange.</p>
		<p>On or about November 23, 2015, defendant ZAHORE conferred approximately \$10,000 in cash, from the approximately \$30,000 cash proceeds, on Individual 1.</p>

In violation of Title 18, United States Code, Sections 1952(a)(3) and Section 2.

A TRUE BILL



Craig Carpenito

 CRAIG CARPENITO
 UNITED STATES ATTORNEY

CASE NUMBER: 20-709 (KM)

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

UNITED STATES OF AMERICA

v.

JEANMARIE ZAHORE

INDICTMENT FOR
18 U.S.C. §§ 666(a)(2), 1343,
1346, 1952(a)(3), and § 2

A True Bill.

Foreperson

CRAIG CARPENITO
UNITED STATES ATTORNEY
NEWARK, NEW JERSEY

CARI FAIS
J FORTIER IMBERT
ASSISTANT U.S. ATTORNEYS
973-353-6076
973-645-2890
