

---

---

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

---

---

UNITED STATES OF AMERICA

Hon.

v.

Mag. No. 17-

KEVIN LEONDI

CRIMINAL COMPLAINT

I, Michael Dorney, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

**SEE ATTACHMENT A**

I further state that I am a Special Agent of the United States Department of Defense, Defense Criminal Investigative Services, and that this complaint is based on the following facts:

**SEE ATTACHMENT B**

continued on the attached pages and made a part hereof.

---

Michael Dorney, Special Agent  
United States, Department of Defense,  
Defense Criminal Investigative Services

Sworn to before me, and  
subscribed in my presence on  
March           , 2017 at  
Newark, New Jersey

HONORABLE  
UNITED STATES MAGISTRATE JUDGE

---

Signature of Judicial Officer

## **ATTACHMENT A**

### **(Conspiracy to Defraud the United States and to Commit Bribery)**

1. From in or about December 2010 through in or about August 2015, in the District of New Jersey and elsewhere, defendant

**KEVIN LEONDI,**

did knowingly and intentionally conspire and agree with others to:

- a. Defraud the United States Department of the Army ("United States Army") by impairing, impeding and obstructing the lawful function of the United States Army to procure and manage the procurement of goods and services for PICA and Fort Dix, through fraud and arranging bribes and contractor kickbacks, and
- b. Commit an offense against the United States, specifically, to corruptly demand, seek, receive, accept, and agree to receive and accept, anything of value in return for being influenced in the performance of his official duties as a public official and being induced to do or omit to do any acts in violation of his lawful duties as a public official, contrary to Title 18, United States Code, Sections 201(b)(2)(A) and (C).

### **Overt Acts**

2. In furtherance of the conspiracy and in order to effect the objects thereof, defendant KEVIN LEONDI and his co-conspirators caused overt acts as set forth in Attachment B to be committed in the District of New Jersey and elsewhere.

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

## ATTACHMENT B

I, Michael Dorney, am a Special Agent with the United States Department of Defense, Defense Criminal Investigative Service (the "DCIS") assigned to the Edison, New Jersey office of the DCIS. I have personally participated in this investigation and am aware of the facts contained in Attachment B, based upon my own investigation, witness interviews (including interviews of individuals listed below as Project Manager No. 1, Project Manager No. 2, Contractor No. 1 and Contractor No. 2), a review of documents and recordings, as well as information provided to me by other law enforcement officers. Because this Attachment B is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of the investigation. Statements attributable to individuals contained in this Attachment are related in substance and in part.

### Defendant and Other Individuals and Entities

(1) At times relevant to this Complaint:

(a) Kevin Leondi ("LEONDI") was employed by either the U.S. Army Tank-Automobile and Armaments Command - U.S. Army Armament Research, Development and Engineering Center ("ARDEC") or the U.S. Army Contracting Command New Jersey ("ACC-NJ") as a Contract Specialist representing the Army as a liason between contractors and the tenant customer with respect to renovation projects at Picattiny Arsenal ("PICA") and the Joint Base McGuire-Dix Lakehurst ("Fort Dix"). LEONDI also has owned private businesses, known as LFS General Builders and/or LFS Supply and Services Company ("LFS Companies"). These businesses were involved in snow removal, the purchase and sale of equipment, and construction projects.

(b) PICA was a United States Army installation located in Morris County, New Jersey. PICA conducted research, development, acquisition and lifecycle management of advanced conventional weapon systems and advanced ammunition. PICA provided products and services to all branches of the U.S. military. Some of the products developed by PICA include precision-guided munitions, artillery guns, IED defeat technologies, mortars, and warheads.

(c) Fort Dix was a United States Army post located in Burlington, New Jersey. Among other things, Fort Dix served as a training post for United States Military Reserve units and the National Guard.

(d) Construction Company No. 1 provided construction services to the federal government and private businesses, including PICA and Fort Dix. Between in or about 2008 and in or about 2015, Construction Company No. 1 served as a Job Order Contractor ("JOC"), also known as a prime contractor, on various construction projects at PICA and Fort Dix. A JOC is a company that is authorized to receive construction contracts with the Army up to a maximum amount of money during a specified time period.

(e) Construction Company No. 2 provided construction services to the federal government and private businesses, including PICA and Fort Dix. Between at least in or about

2007 through in or about 2015, Construction Company No. 2 served as a JOC on various construction projects at PICA.

(f) Project Manager No. 1 was employed, from at least June 2009 through on or about August 2015, by Construction Company No. 1. Project Manager No. 1 principally managed large-scale construction projects for Construction Company No. 1, for instance, hiring subcontractors, allocating resources, reviewing estimates and creating and maintaining budgets for the projects. During the relevant period, Project Manager No. 1 was responsible for managing Construction Company No. 1's construction projects at PICA and Fort Dix. Project Manager No. 1 also used his position at Construction Company No. 1 to improperly award subcontract work at PICA and Fort Dix to a construction company that, unknown to Construction Company No. 1, was owned and operated by Project Manager No. 1.

(g) Project Manager No. 2 was employed by Construction Company No. 2 from at least as early as in or about 2009 through in or about January 2011. After leaving Construction Company No. 2, he was hired to work at Construction Company No. 1 from in or about February 2011 through in or about July 2013. Project Manager No. 2 was a friend and mason brother of LEONDI.

(h) Contractor No. 1 owned and operated a construction company in Pennsylvania that served as a subcontractor to Construction Company No. 1 on construction projects at PICA and Fort Dix. LEONDI and Contractor No. 1 first met in approximately 2002/2003. Thereafter, LEONDI helped Contractor No. 1 become an approved contractor at PICA. Contractor No. 1's company was initially hired for a number of small jobs at PICA by Project Manager No. 2 who was then working at Construction Company No. 2.

(i) Contractor No. 2 owned and operated a construction company in New Jersey. Since in or about 2005, Contractor No. 2's company has served as a subcontractor on various construction projects at PICA.

#### Conspiracy to Defraud the United States and to Commit Bribery

(2) In or about December 2010, LEONDI asked Contractor No. 1 for \$40,000. Contractor No. 1 gave LEONDI a \$40,000 check payable to one of the LFS Companies because Contractor No. 1 wanted to continue to get work for Contractor No. 1's construction company at PICA. Following a March 2012 federal grand jury subpoena to Contractor No. 1 for documents, LEONDI created an invoice for the alleged purchase of various pieces of equipment to cover up this \$40,000 bribe payment from Contractor No. 1. The items listed on the invoice included items that Contractor No. 1 never received, were not needed by Contractor No. 1, and/or had significantly overstated values.

(3) In or about early 2011, Project Manager No. 2 left his position at Construction Company No. 2. Thereafter, LEONDI and an employee of the Department of Public Works at PICA ("DPWE"), both pressured Project Manager No. 1 to hire Project Manager No. 2 at Construction Company No. 1. DPWE stated that, if Project Manager No. 1 hired Project Manager No. 2, contracts that were supposed to go to Construction Company No. 2 would

instead go to Construction Company No. 1. After Project Manager No. 2 was hired by Construction Company No. 1, Construction Company No. 1 was awarded a construction project at Building 3359 at PICA by the Department of Public Works.

(4) On or about August 12, 2011, Contractor No. 1 purchased a faded orange JLG 450 articulating boom lift from LEONDI for \$31,194. Articulating boom lifts are aerial work platforms which have hinged sections that provide workers with the ability to access work areas that may be difficult to reach due to obstacles or barriers. LEONDI had purchased this piece of equipment only two months earlier for approximately \$21,194. After about one year, LEONDI took the boom lift back from Contractor No. 1 advising that that he needed to use it to put up Christmas lights at his home. LEONDI never returned the lift to Contractor No. 1, nor did LEONDI pay Contractor No. 1 for the lift when he took it back.

(5) In or about August 2011, LEONDI asked Contractor No. 1 for \$45,000 which LEONDI alleged that he needed to pay LEONDI's mortgage. In lieu of directly giving LEONDI the requested money, LEONDI and Contractor No. 1 agreed that LEONDI's company would enter into a contract with a client of Contractor No. 1's company for a painting job at a mall in Pennsylvania. Although Contractor No. 1's company did the actual painting work, Contractor No. 1 allowed LEONDI's company to issue an invoice for \$21,750, dated in or about August 29, 2011, and to keep the October 2011 \$21,750 check payment from the client.

(6) To make up the balance of the \$45,000 sought by LEONDI, LEONDI sold a Blue Genie X41 scissor lift to Contractor No. 1 for \$28,250, by check dated in or about September 9, 2011. A scissor lift is a mobile motorized platform with criss-crossing metal supports that elongate as the platform is raised. The scissor lift was not worth more than approximately \$4,000 to \$5,000. In addition, the scissor lift did not work properly and Contractor No. 1 was not able to use it.

(7) In or about September 2011, LEONDI told Project Manager No. 1 that he wanted to buy Project Manager No. 1's 2008 Ford 350 pickup for \$15,000. Project Manager No. 1 had purchased this truck in or about March 2010 for approximately \$41,000, and Project Manager No. 1 advised LEONDI that he did not want to sell this truck at such a sharply discounted price. Despite Project Manager No. 1's initial refusal, LEONDI repeated the request to Project Manager No. 1 on multiple occasions during conversations at PICA. Ultimately, Contractor No. 2 told Project Manager No. 1 that Project Manager No. 1 needed to give LEONDI the truck to insure that LEONDI would continue to use his influence to get Construction Company No. 1's and Contractor No. 2's company work on Army contracts. As a result, Project Manager No. 1 agreed to sell his truck to LEONDI for the requested discounted price.

(8) LEONDI paid Project Manager No. 1 for the pickup truck with two checks, both dated September 20, 2011 - - a 5,000 check from one of the LFS Companies and a \$10,000 check from LEONDI and his wife. LEONDI understood that Project Manager No. 1 agreed to sell him the truck at this discounted price to insure that Construction Company No. 1 would continue to get work as a JOC.

(9) In or about the fall 2011, LEONDI told Project Manager No. 1 that ACC-NJ intended to award a contract for a large renovation project located at Fort Dix. The project included the total interior demolition of Building 5418 and the conversion of that building into ACC-NJ's Fort Dix office. Project Manager No. 1 understood that LEONDI would be managing the project on behalf of ACC-NJ. LEONDI initially advised Project Manager No. 1 that Construction Company No. 2 was going to receive the delivery order, *i.e.*, an award of a specific construction project under Construction Company No. 2's job order contract. During a conversation at Construction Company No. 1's PICA office, Project Manager No. 1 complained to LEONDI that it was unfair that Construction Company No. 2 was going to get the Fort Dix job given that, among other things, Project Manager No. 1 had sold LEONDI his truck for the reduced price and had further arranged for Construction Company No. 1 to hire Project Manager No. 2. LEONDI agreed to make sure that Construction Company No. 1 received the Building 5418 job and, in or about October 31, 2011, Construction Company No. 1 was given a delivery order for this construction project for approximately \$3.3 million.

(10) After the delivery order was received for Building 5418 at Fort Dix, LEONDI participated in site visits to Fort Dix with Project Manager No. 1 and various subcontractors. Although it was Project Manager No. 1's job, on behalf of Construction Company No. 1, to determine which subcontractors to hire, LEONDI not only directed Project Manager No. 1 regarding which subcontractors to use, but also how much each subcontractor should get paid. These subcontractors included Contractor No. 1 and Contractor No. 2.

(11) Contractor No. 1 did not initially want subcontracting work at Fort Dix because of an approximately \$445,000 loss sustained by Contractor No. 1's company on construction projects at Buildings 9, 10, and 10b at PICA. Contractor No. 1, however, agreed to this subcontracting job as LEONDI promised that he would insure that Contractor No. 1 recouped the money lost on the PICA projects.

(12) In or about February 2012, LEONDI took a blank check from Contractor No. 1 to purchase POD storage containers that LEONDI had advised Contractor No. 1 were needed for the Fort Dix project. LEONDI claimed that he could negotiate a good deal for the PODs. LEONDI and Contractor No. 1 also discussed renting the PODs out after the Fort Dix project was completed. LEONDI filled out Contractor No. 1's check for \$25,400. For that price, Contractor No. 1 was expecting to receive at least 15 PODs, but when Contractor No. 1 went to pick up the PODs, the seller only gave him six. According to the seller, LEONDI picked up an additional six pods by himself at a later date. LEONDI never provided Contractor No. 1 with any of the additional PODS, nor did he return any portion of the \$25,400 to Contractor No. 1. In addition, LEONDI took one POD that had previously been picked up by Contractor No. 1 and brought it to his own home.

(13) At a meeting at PICA in the spring of 2012, LEONDI, Project Manager No. 1, Project Manager No. 2 and Contractor No. 2 discussed the amount that Contractor No. 2's company would receive for specified construction work at Building 5418 at Fort Dix. Contractor No. 2 was willing to complete the proposed construction work for approximately \$800,000, however, LEONDI wanted to pad the contract to include the hiring of certain personnel. As a result of this disagreement, LEONDI told Contractor No. 2 that Contractor No. 2 was not getting

the contract. LEONDI then informed Projected Manager No. 1 that he wanted Construction Company No. 1 to hire Contractor No. 1 for the work that Contractor No. 2 was initially supposed to do. On or about June 1, 2012, Contractor No. 1's company was given a \$1.25 million subcontract to do work at Building 5418.

(14) In or about the spring/summer 2012, LEONDI informed Contractor No. 1 that once Contractor No. 1's company began to receive money from the Fort Dix project, Contractor No. 1 would need to give money to both LEONDI and Project Manager No. 1. At a meeting at Fort Dix, LEONDI specifically directed Contractor No. 1 to give \$50,000 to Project Manager No. 1 to help Project Manager No. 1 pay his mortgage. LEONDI wrote on a note pad details on how Contractor No. 1 was to make payments. In compliance with LEONDI's direction, Contractor No. 1 paid Project Manager No. 1 approximately \$48,000 in cash and checks during the period from in or about July 2012 through January 2013. Contractor No. 1 delivered the cash payments in envelopes to Project Manager No. 1 at PICA. In order to make it seem that the payments were for a motorcycle, Contractor No. 1 caused the word "motorcycle" to be written in the memo section of a few checks. To further cover up the payment, Project Manager No. 1 gave Contractor No. 1 a motorcycle which Contractor No. 1 returned to Project Manager No. 1 after approximately two years. Title to the motorcycle was never transferred to Contractor No. 1.

(15) LEONDI also directed Contractor No. 1 to perform free work at Project Manager No. 1's home in Pennsylvania, including building a pond, completing excavation work, and laying down concrete. This construction work occurred between in or about September 2012 and in or about April 2013. Contractor No. 1's cost of labor and materials on these projects was approximately \$20,254.

(16) In or about the fall 2012, LEONDI further asked Contractor No. 1 to complete renovation work at property belonging to LEONDI in East Stroudsburg, Pennsylvania. This renovation work included installing tile and marble in a bathroom, installation of hardwood flooring, installation of a hot water heater, as well as shelving and kitchen cabinets. When Contractor No. 1 refused to provide this free labor, LEONDI solicited Contractor No. 2 to do the work instead. Thereafter, LEONDI demanded that Contractor No. 1 reimburse Contractor No. 2 for the cost of the renovation work at LEONDI's property. On or about September 24, 2013, Contractor No. 1 issued a \$40,000 credit to Contractor No. 2 against money that Contractor No. 2 owed Contractor No. 1 on a PICA construction project to compensate Contractor No. 2 for the renovation work at LEONDI's property.

(17) After the first delivery order for Building 5418 at Fort Dix, LEONDI advised Project Manager No. 1 that he was going to request money from the Department of Public Works at PICA for a second project at Building 5418. On or about September 3, 2013, Construction Company No. 1 received a delivery order for \$366,000 for this second project. LEONDI and Project Manager No. 1 had discussions regarding the distribution of the money from this project. During one of these discussions, Project Manager No. 1 confided to LEONDI that Project Manager No. 1 was secretly assigning work to his own construction company - a conflict of interest that Project Manager No. 1 was keeping from Construction Company No. 1. LEONDI agreed that Project Manager No. 1's company could receive subcontracting work on the second Building 5418 project, but advised that Project Manager No. 1 would need to make payments to

LEONDI. On or about September 11, 2013, Project Manager No. 1's company received a subcontract from Construction Company No. 1 for \$189,555 to do work on the second part of the Building 5418 project.

(18) After Construction Company No. 1 received the contract for the second project at Building 5418, LEONDI accepted \$5,000 in cash from Project Manager No. 1 on two separate occasions preceding LEONDI's trips to Punta Cana, Dominican Republic in or about October 2013, and a second trip to Hawaii. At LEONDI's request, LEONDI also secured from Project Manager No. 1 a covered cargo trailer worth about \$5,000, as well as two snowmobiles that Project Manager No. 1 had purchased about two years earlier for a total of \$3,500. Project Manager No. 1 felt obligated to give LEONDI the snowmobiles and trailer because of LEONDI's influence in obtaining contracts for Construction Company No. 1 from the Department of Public Works as well as LEONDI's knowledge that Project Manager No. 1 was concealing his ownership in a construction company that was receiving subcontracts from Construction Company No. 1.

(19) In or about 2013, LEONDI observed Project Manager No. 1's metal bending brake -- a piece of equipment used to bend metal -- in the possession of another subcontractor at PICA. LEONDI advised Project Manager No. 1 that he wanted the brake. Project Manager No. 1 thereafter delivered the brake to LEONDI at his home in Pennsylvania where LEONDI placed it in his garage.

(20) One day while construction was ongoing with respect to the second project at Building 5418, LEONDI asked Project Manager No. 1 for \$100,000 to help LEONDI pay off his mortgage. LEONDI specifically instructed Project Manager No. 1 to go to the Bank of America and pay \$100,000 towards LEONDI's mortgage. LEONDI advised Project Manager No. 1 that it was LEONDI's understanding that as long as LEONDI did not touch the money it would be considered a gift and therefore LEONDI would not have to pay taxes on this payment. Project Manager No. 1 did not owe \$100,000 to LEONDI in any legitimate capacity and did not make this payment to LEONDI.

(21) In or about 2013, near the end of the Fort Dix project, LEONDI, Project Manager No. 1 and Contractor No. 1 had a conversation at Contractor No. 1's home in Pennsylvania during which LEONDI stated that he could get more work for Project Manager No. 1 and Contractor No. 1. LEONDI requested that Contractor No. 1 pay Project Manager No. 1 at least \$50,000. LEONDI also demanded that Contractor No. 1 pay LEONDI between approximately \$100,000 and \$300,000. Contractor No. 1 refused to make these additional payments.

(22) After the disagreement between LEONDI and Contractor No. 1, LEONDI advised Project Manager No. 1 that LEONDI did not want Project Manager No. 1 to hire Contractor No. 1 as a subcontractor on any further Construction Company No. 1 projects until Contractor No. 1 paid the demanded \$100,000 to LEONDI.

(23) In or about 2014, Project Manager No. 1 purchased a garage door. Project Manager No. 1 borrowed a trailer from LEONDI to pick up the garage door. As Project



Manager No. 1 did not have room to store the garage door at that time, LEONDI agreed to temporarily store it for Project Manager No. 1 at LEONDI's home in Pennsylvania. LEONDI thereafter advised Project Manager No. 1 that LEONDI was going to keep the garage door and install it on the garage at his own residence. To stay in good favor with LEONDI, Project Manager No. 1 agreed so that LEONDI would continue to use his influence to help Construction Company No. 1 and Project Manager No. 1's construction company get work at PICA and Fort Dix.

---

---

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

---

---

UNITED STATES OF AMERICA

Hon.

v.

Mag. No. 17-

KEVIN LEONDI

CRIMINAL COMPLAINT

I, Michael Dorney, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

**SEE ATTACHMENT A**

I further state that I am a Special Agent of the United States Department of Defense, Defense Criminal Investigative Services, and that this complaint is based on the following facts:

**SEE ATTACHMENT B**

continued on the attached pages and made a part hereof.

---

Michael Dorney, Special Agent  
United States, Department of Defense,  
Defense Criminal Investigative Services

Sworn to before me, and  
subscribed in my presence on  
March           , 2017 at  
Newark, New Jersey

HONORABLE  
UNITED STATES MAGISTRATE JUDGE

---

Signature of Judicial Officer