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2011R00654/HB

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

OCT 04 2012

AT 8:30 \_\_\_\_\_ M  
WILLIAM T. WALSH  
CLERK

UNITED STATES OF AMERICA	:	Crim. No. 12-672 (JAP)
	:	
v.	:	
	:	18 U.S.C. §§ 666(a)(2),
GEORGE CHRYSANTHOPOULOS	:	1341, 1343, 1346, 1349,
	:	1952(a)(3), 981(a)(1)(C),
	:	and 2, and 28 U.S.C. §
	:	2461.

INDICTMENT

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

COUNT 1  
(Mail Fraud Conspiracy)

1. At all times relevant to Count 1 of this Indictment:
  - a. Defendant GEORGE CHRYSANTHOPOULOS was the vice-president and an owner of Tarheel Enterprises, Inc. ("Tarheel"), a construction company located in New Jersey that provided paving and other construction services for state government entities, governmental authorities, and private entities in New Jersey and elsewhere.
  - b. There was a company that owned and operated container ship terminal facilities at Port Elizabeth in Union County, New Jersey (the "Terminal Operator").
  - c. There was an employee of the Terminal Operator (the "Employee"). The Employee obtained bids and negotiated contracts on behalf of the Terminal Operator in furtherance of construction projects at the Terminal Operator's facilities. The Employee also oversaw construction projects at the Terminal Operator's facilities and approved payments to construction contractors. In

this capacity, the Employee was in a position to influence, and did influence, company action taken on behalf of the Terminal Operator.

d. From in or about 2002 through in or about 2007, the Terminal Operator engaged in large-scale construction projects at its facilities (collectively, the "Construction Project"). The Terminal Operator retained an engineering and construction services company (the "Project Manager") in connection with the Construction Project. The Project Manager had an office in Philadelphia, Pennsylvania.

e. From in or about 2002 through in or about 2007, Tarheel entered into numerous construction-related contracts for the Construction Project with the Terminal Operator.

f. As Tarheel completed construction work under its contracts for the Construction Project, it submitted invoices for that work for payment by the Terminal Operator. As part of the Employee's duties, the Employee reviewed those invoices and approved them for payment by the Terminal Operator. Subsequent to the Employee's approval of an invoice, the Terminal Operator remitted payment for the invoice to Tarheel via United States mail, and private and commercial interstate carrier.

**The Mail Fraud Conspiracy**

2. From in or about 2002 to in or about 2008, in Union County, in the District of New Jersey, and elsewhere, defendant

GEORGE CHRYSANTHOPOULOS

did knowingly and intentionally conspire and agree with the Employee and others to devise a scheme and artifice to defraud

the Terminal Operator of its right to the honest services of the Employee furthered and facilitated through the use of the United States Mail and commercial interstate carrier delivery, contrary to Title 18, United States Code, Sections 1341 and 1346.

**The Object of the Conspiracy**

3. The object of this conspiracy was for defendant GEORGE CHRYSANTHOPOULOS to obtain, on behalf of Tarheel, the assistance of the Employee in matters over which the Employee had authority and discretion as a representative of the Terminal Operator related to contracts that the Terminal Operator awarded Tarheel for construction services, in exchange for bribes and kickbacks to the Employee that were concealed from the Terminal Operator.

**The Manner and Means**

4. It was part of the conspiracy that, from in or about 2002 through in or about 2008, defendant GEORGE CHRYSANTHOPOULOS and the Employee agreed that defendant GEORGE CHRYSANTHOPOULOS would bribe and kickback to the Employee approximately \$20,000 in cash for every \$5 million that the Terminal Operator paid Tarheel for the completion of construction work for the Construction Project in exchange for the Employee's assistance in obtaining those contracts.

5. It was further part of the conspiracy that from in or about 2002 through in or about 2008, defendant GEORGE CHRYSANTHOPOULOS bribed and kicked back to the Employee approximately \$20,000 in cash for every approximately \$5 million the Terminal Operator paid Tarheel for the completion of construction work for the Construction Project, for a total of

approximately \$300,000. Defendant GEORGE CHRYSANTHOPOULOS paid the last bribe and kickback to the Employee in or about 2008.

6. It was further part of the conspiracy that defendant GEORGE CHRYSANTHOPOULOS, the Employee, and others concealed this corrupt arrangement, which was material information, from the Employee's supervisors and management of the Terminal Operator.

7. It was further part of the conspiracy that, for the purposes of executing and attempting to execute the scheme and artifice to defraud, the Employee placed and caused to be placed in a post office and authorized depository for mail matter to be sent and delivered by the United States Postal Service, and did deposit and send materials to be delivered by private and commercial interstate carrier, including the following correspondence from the Terminal Operator enclosing payment for an invoice for construction services completed by Tarheel for the Construction Project:

DATE (ON OR ABOUT)	MAILING
October 30, 2007	Mailing from the Terminal Operator in New Jersey to Tarheel in New Jersey enclosing a \$707,300.20 check for work completed by Tarheel related to the Construction Project

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

COUNT 2

(Use of the Mail and Facilities in Interstate Commerce to Promote, Carry On and Facilitate Commercial Bribery)

1. Paragraphs 1 and 4 to 7 of Count 1 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. On or about October 30, 2007, in Union County, in the District of New Jersey, and elsewhere, defendant

GEORGE CHRYSANTHOPOULOS

knowingly and intentionally did use and cause the use of the mail and facilities in interstate commerce with the intent to promote, manage, establish, carry on and facilitate the promotion, management, establishment, and carrying on of that unlawful activity, that is, commercial bribery contrary to N.J.S.A. § 2C:21-10, and, thereafter, did perform and attempt to perform acts to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of such unlawful activity, by defendant GEORGE CHRYSANTHOPOULOS providing a bribe and kickback to the Employee in or about 2008.

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

COUNTS 3 AND 4

(Scheme to Defraud the Terminal Operator of the Employee's Honest Services By Defendant GEORGE CHRYSANTHOPOULOS Giving Concealed Bribes and Kickbacks to the Employee)

1. Paragraphs 1(a)-(d) of Count 1 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. By in or about February 2011, the Employee was cooperating with federal law enforcement authorities.

The Corrupt Scheme

3. From in or about February 2011 to in or April 2011, in Union County, in the District of New Jersey and elsewhere, defendant

GEORGE CHRYSANTHOPOULOS

knowingly and intentionally did devise and intend to devise a scheme and artifice to defraud the Terminal Operator of its right to the honest services of the Employee.

4. The object of this scheme and artifice to defraud was for defendant GEORGE CHRYSANTHOPOULOS to obtain, on behalf of Tarheel, the assistance of the Employee in matters over which the Employee had authority and discretion as a representative of the Terminal Operator related to construction projects for which the Terminal Operator intended to accept bids, in exchange for bribes and kickbacks to the Employee that were concealed from the Terminal Operator.

5. It was part of the scheme and artifice to defraud that:

a. On or about February 14, 2011, defendant GEORGE CHRYSANTHOPOULOS and the Employee met in Union County. During that recorded meeting, defendant GEORGE CHRYSANTHOPOULOS and the

Employee discussed rigging the bid process for an approximately \$3 million construction project at the Terminal Operator's facilities (the "2011 Project") in favor of Tarheel in exchange for a bribe and kickback to the Employee. Defendant GEORGE CHRYSANTHOPOULOS was informed by the Employee that the bribe and kickback would be "ten to fifteen thousand . . . maybe even twenty" depending upon how much Tarheel received for the 2011 Project.

b. At that February 14, 2011 meeting, defendant GEORGE CHRYSANTHOPOULOS and the Employee also discussed additional phases of construction projects (the "Additional Projects") that were planned at the Terminal Operator's facilities after the 2011 Project. Defendant GEORGE CHRYSANTHOPOULOS and the Employee planned that after Tarheel was awarded the 2011 Project, the Employee would use the Employee's influence to assist defendant GEORGE CHRYSANTHOPOULOS and Tarheel in obtaining contracts for the Additional Projects in exchange for bribes and kickbacks to the Employee. After reviewing the plans for the Additional Projects, defendant GEORGE CHRYSANTHOPOULOS estimated that the Additional Projects would be worth "150 million bucks." Defendant GEORGE CHRYSANTHOPOULOS was informed by the Employee that the Terminal Operator was planning for the Additional Projects to be completed by 2018, and that, according to the Employee, was "really key because by 2020, I want to be retired." Defendant GEORGE CHRYSANTHOPOULOS was informed by the Employee that in exchange for the Employee's assistance in getting Tarheel the Additional Projects, "we could do the same thing like we did

last time, George . . . like for every \$5 million, I get 20 grand, boom, . . . I'll be happy, man." Defendant GEORGE CHRYSANTHOPOULOS responded, "Right . . . yeah." Defendant GEORGE CHRYSANTHOPOULOS later told the Employee, "I know what the parameters are . . . 20 per 5." As the Employee was leaving the meeting, defendant GEORGE CHRYSANTHOPOULOS was advised by the Employee that defendant GEORGE CHRYSANTHOPOULOS "put my daughter through, ah, college and, ah, and to, ah, Europe," referring to the earlier bribes and kickbacks that defendant GEORGE CHRYSANTHOPOULOS paid the Employee that were the subjects of Counts 1 and 2 of this Indictment. Defendant GEORGE CHRYSANTHOPOULOS responded: "Let me tell you something, it was, it was great for us, I know, I'm sure it was great for you. It was a good run."

c. At that February 14, 2011 meeting, defendant GEORGE CHRYSANTHOPOULOS also told the Employee that he would give the Employee the names of other contractors who the Employee should invite to submit bids for the 2011 Project. Defendant GEORGE CHRYSANTHOPOULOS told the Employee that certain contractors should not be invited to bid on the 2011 Project. Defendant GEORGE CHRYSANTHOPOULOS also told the Employee not to let the other contractors "know there's other phases behind [the 2011 Project]." Defendant GEORGE CHRYSANTHOPOULOS further told the Employee that "you don't want to get an asshole in there." The Employee responded "alright, well, get me some names." To which defendant GEORGE CHRYSANTHOPOULOS replied, "I'll get you some names . . . We don't want to get somebody in there to upset the



apple cart."

d. On or about February 23, 2011, defendant GEORGE CHRYSANTHOPOULOS and the Employee met in Union County. During that recorded meeting, defendant GEORGE CHRYSANTHOPOULOS gave the Employee the names of other contractors who the Employee should invite to bid on the 2011 Project. Defendant GEORGE CHRYSANTHOPOULOS told the Employee that those were the only contractors that he could "talk to" and that he would call those contractors prior to the bid and tell them to "back off." Defendant GEORGE CHRYSANTHOPOULOS also told the Employee that he would tell the other contractors to submit bids for the 2011 Project that were higher than the bid to be submitted by Tarheel. When the Employee told defendant GEORGE CHRYSANTHOPOULOS that additional contractors needed to be invited to submit bids for the 2011 Project, defendant GEORGE CHRYSANTHOPOULOS complained that "the problem is if somebody comes in here and sniffs out [the Additional Projects] . . . then it, it's going to get fucked up." When the Employee told defendant GEORGE CHRYSANTHOPOULOS that Tarheel could not submit an inflated bid for the 2011 Project, defendant GEORGE CHRYSANTHOPOULOS assured the Employee that Tarheel's bid would be "a legitimate number. You can't go crazy." Defendant GEORGE CHRYSANTHOPOULOS further told the Employee "Hogs get fat, pigs get slaughtered. We don't want to do that. But we want to see this thing through."

e. On or about March 11, 2011, defendant GEORGE CHRYSANTHOPOULOS and the Employee met in Union County. During that recorded meeting, defendant GEORGE CHRYSANTHOPOULOS gave the

Employee the names of four other contractors for the Employee to invite to bid on the 2011 Project. Defendant GEORGE CHRYSANTHOPOULOS asked the Employee to delay sending out requests for bids to the other contractors so that he could "tip" them off that the bids were coming. When the Employee suggested that he invite another contractor ("Contractor No. 1") to bid on the 2011 Project, defendant GEORGE CHRYSANTHOPOULOS complained that Contractor No. 1 would submit a bid lower than Tarheel and that Tarheel would not be able to compete with Contractor No. 1.

f. On or about March 29, 2011, defendant GEORGE CHRYSANTHOPOULOS and the Employee met in Union County. During that recorded meeting, defendant GEORGE CHRYSANTHOPOULOS asked the Employee the amount of the bribe and kickback that the Employee expected for assisting Tarheel in obtaining the contract for the 2011 Project. Defendant GEORGE CHRYSANTHOPOULOS was told by the Employee that the Employee was expecting approximately \$30,000 to \$35,000 because the Employee had only sent bids to contractors suggested by defendant GEORGE CHRYSANTHOPOULOS. Defendant GEORGE CHRYSANTHOPOULOS then told the Employee that he was going to inflate the bid to cover the bribe and kickback to the Employee and that he "was thinking, if I could even do more, cause I had a number like fifty," referring to a \$50,000 bribe and kickback that he would pay the Employee in exchange for the Employee's assistance.

g. On or about April 7, 2011, defendant GEORGE CHRYSANTHOPOULOS and the Employee met in Union County. During that recorded meeting, defendant GEORGE CHRYSANTHOPOULOS

complained that he could only get one other bidder ("Contractor No. 2") to submit a bid for the 2011 Project. Defendant GEORGE CHRYSANTHOPOULOS showed the Employee a summary of Tarheel's proposed bid for the 2011 Project, which defendant GEORGE CHRYSANTHOPOULOS stated was inflated by \$50,000, which constituted the bribe and kickback to the Employee. Defendant GEORGE CHRYSANTHOPOULOS also told the Employee that he would give a portion of the bribe and kickback to the Employee upon Tarheel being awarded the contract for the 2011 Project. In addition, because he was having difficulty contacting the other bidders that he sought to submit bids, defendant GEORGE CHRYSANTHOPOULOS asked the Employee to delay until April 11, 2011, from April 8, 2011, the date by which the bid documents for the 2011 Project were due.

h. On or about April 7, 2011, a Tarheel employee in New Jersey sent an e-mail to an employee of the Project Manager in Philadelphia, Pennsylvania requesting an extension of the bid deadline from April 8, 2011 to April 11, 2011. That request was subsequently granted.

i. On or about April 11, 2011, defendant GEORGE CHRYSANTHOPOULOS caused to be delivered to the Terminal Operator a bid from Tarheel for the 2011 Project in the amount of approximately \$4.4 million.

j. On or about April 11, 2011, Contractor No. 2 sent via commercial interstate carrier to the Terminal Operator a bid for the 2011 Project in the amount of approximately \$4.9 million.

k. On or about April 12, 2011, defendant GEORGE

CHRYSANTHOPOULOS and the Employee met in Union County. During that recorded meeting, defendant GEORGE CHRYSANTHOPOULOS complained that only one of the contractors, Contractor No. 2 (who he had arranged to submit a bid for the 2011 Project), had actually submitted a bid. When the Employee stated that the Terminal Operator would not proceed with the bidding process with only two bids and that additional bids would be necessary, defendant GEORGE CHRYSANTHOPOULOS stated that he could obtain additional contractors to submit bids.

6. On or about the dates listed below, in Union County, in the District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendant

GEORGE CHRYSANTHOPOULOS

knowingly and intentionally deposited and caused to be deposited a matter and thing set forth below to be sent by private and commercial interstate carrier and caused to be delivered by such carrier, according to the direction thereon, and transmitted and caused to be transmitted in interstate commerce by means of a wire, radio, and television communication certain writings, signs, signals, pictures, and sounds, as set forth below:

COUNT	DATE	WIRE TRANSMISSION AND INTERSTATE CARRIER DELIVERY
3	April 7, 2011	E-mail from a Tarheel employee in New Jersey to an employee of the Project Manager in Philadelphia, PA requesting an extension of the bid deadline from April 8, 2011 to April 11, 2011 (Wire)

COUNT	DATE	WIRE TRANSMISSION AND INTERSTATE CARRIER DELIVERY
4	April 11, 2011	Commercial interstate carrier Federal Express delivery to the Terminal Operator of Contractor No. 2's bid for the 2011 Project (Interstate Carrier Delivery)

In violation of Title 18, United States Code, Sections 1341, 1343, and 1346, and Title 18, United States Code, Section 2.

**COUNTS 5 AND 6**  
**(Use of Facilities in Interstate Commerce to Promote, Carry On and Facilitate Commercial Bribery)**

1. Paragraphs 1(a)-(d) of Count 1, and Paragraphs 2 and 5 of Counts 3 and 4 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. On or about the dates listed below, in Union County, in the District of New Jersey and elsewhere, defendant

GEORGE CHRYSANTHOPOULOS

knowingly and intentionally used and caused the use of facilities in interstate commerce with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of that unlawful activity, that is, commercial bribery, contrary to N.J.S.A. § 2C:21-10, and, thereafter, did perform and attempt to perform acts to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of such unlawful activity, as follows:

COUNT	USE OF FACILITIES IN INTERSTATE COMMERCE	SUBSEQUENT ACTS
5	April 7, 2011 e-mail from a Tarheel employee in New Jersey to an employee of the Project Manager in Philadelphia, PA requesting an extension of the bid deadline from April 8, 2011 to April 11, 2011	1. April 11, 2011 submission of Tarheel's bid for the 2011 Project  2. April 12, 2011, defendant GEORGE CHRYSANTHOPOULOS meets the Employee
6	April 11, 2011 delivery to the Terminal Operator by Federal Express of Contractor No. 2's bid for the 2011 Project	April 12, 2011, defendant GEORGE CHRYSANTHOPOULOS meets the Employee

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

COUNT 7  
(Corruptly Giving, Offering, and Agreeing to Give Things of Value to Influence and Reward)

1. Paragraph 1(a) of Count 1 of this Indictment is hereby incorporated and realleged as if fully set forth herein.

2. On or about October 19, 2005, Tarheel was awarded an approximately \$44,000,000 contract by the New Jersey Department of Transportation (the "NJDOT") to provide widening, grading, paving and drainage services on New Jersey Routes 1 and 9 in Bergen and Hudson Counties (the "1&9 Project").

3. At all times relevant to Count 7 of this Indictment:

a. There was an engineer (the "Engineer") employed by the NJDOT. The Engineer was responsible for the oversight of work performed by private contractors for the NJDOT. In this regard, the Engineer was NJDOT's resident engineer on the 1&9 Project. As the resident engineer on the 1&9 Project, the Engineer was responsible for ensuring that the 1&9 Project was completed according to its plans and specifications. This included the Engineer's participation in (i) the authorization and approval of payments to the contractors for work completed and (ii) the generation and approval of change orders where the contractor was required to perform additional and extra work outside of the scope of work initially contemplated by the 1&9 Project's plans and specifications.

b. The State of New Jersey and the NJDOT received benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance and other forms of federal assistance in the relevant one-year periods.



4. In or about 2006, in the area of the 1&9 Project site in northern New Jersey, defendant GEORGE CHRYSANTHOPOULOS and the Engineer agreed that defendant GEORGE CHRYSANTHOPOULOS would pay the Engineer approximately \$1,000 per week in exchange for the Engineer's official influence and assistance with regard to the 1&9 Project.

5. From in or about 2006 through in or about 2008, defendant CHRYSANTHOPOULOS paid the Engineer approximately \$48,000 in exchange for the Engineer's official influence and assistance in relation to the 1&9 Project. Defendant GEORGE CHRYSANTHOPOULOS paid the last bribe and kickback, in the amount of approximately \$8,000, to the Engineer in or about late spring and summer 2008, in Passaic County.

6. From in or about 2006 to in or about late spring and summer 2008, in northern New Jersey, in the District of New Jersey, and elsewhere, defendant

GEORGE CHRYSANTHOPOULOS

did knowingly and corruptly give, offer, and agree to give things of value to the Engineer, including an \$8,000 payment to the Engineer in or about late spring and summer 2008, intending for the Engineer to be influenced and rewarded in connection with a business, transaction, and series of transactions of the State of New Jersey and the NJDOT involving a thing of value of \$5,000 and more.

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

FORFEITURE ALLEGATION

As a result of committing the aforementioned offenses in violation of Title 18, United States Code, Sections 1349 and 1952(a)(3), charged in Counts 1 and 2 of this Indictment, defendant GEORGE CHRYSANTHOPOULOS shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, all property, real and personal, that constituted or was derived from proceeds traceable to the commission of the aforementioned offenses, to include up to approximately \$17,000,000.


If any of the above-described forfeitable property, as a result of any act or omission of defendant GEORGE CHRYSANTHOPOULOS:

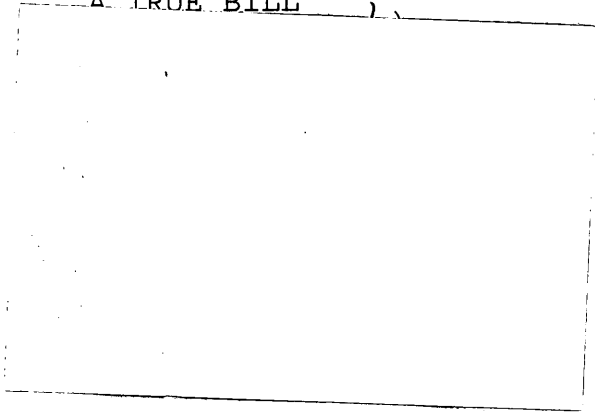
- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third party;
- (3) has been placed beyond the jurisdiction of the court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot 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 defendant GEORGE CHRYSANTHOPOULOS 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.

A TRUE BILL )

  
\_\_\_\_\_  
PAUL J. FISHMAN  
United States Attorney



CASE NUMBER: \_\_\_\_\_

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

**UNITED STATES OF AMERICA**

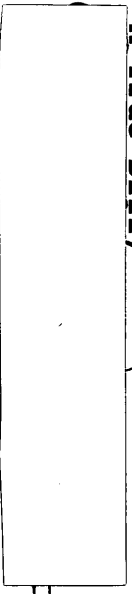
**v.**

**GEORGE CHRYSANTHOPoulos**

**INDICTMENT FOR**

18 U.S.C. §§ 666(a) (2), 1341, 1343, 1346, 1349,  
1952(a) (3), 981(a) (1) (C), and 2, and 28 U.S.C. § 2461

A True Bill,



**PAUL J. FISHMAN**  
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