

2009R00927/rah/blm

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

| | | | |
|--------------------------|---|----------------------------|------|
| UNITED STATES OF AMERICA | : | Crim. No. 09- 933 | (JU) |
| | : | | |
| v. | : | 18 U.S.C. §§ 666(a)(1)(B), | |
| | : | 981(a)(1)(C), 1001(a)(2), | |
| MARIANO VEGA, JR. | : | 1951(a) & § 2; 28 U.S.C. § | |
| | : | 2461 | |

I N D I C T M E N T

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

COUNT ONE

Conspiracy to Obstruct Commerce by Extortion
Under Color of Official Right

1. At all times relevant to Count One of this Indictment:

Defendant Mariano Vega, Jr.

A. Defendant MARIANO VEGA, JR. was an elected Councilman and the President of the City Council of Jersey City, a municipality in Hudson County, New Jersey. Defendant VEGA also was employed by Hudson County as the Director of its Department of Parks, Engineering & Planning, previously known as the Department of Public Resources.

B. Defendant VEGA first was elected as a Jersey City Councilman in or about May 1997 as a representative of Ward E, and was subsequently elected, in or about May 2000 and May 2005, as a Councilman At-Large. Defendant VEGA was re-elected as a

Councilman At-Large in Jersey City in an election held on or about May 12, 2009. In connection with defendant VEGA's 2009 re-election campaign, defendant VEGA maintained a campaign account known as the "Election Fund of Mariano Vega" and the "Friends of Mariano Vega" (the "Vega Campaign Account"), for which he served as the Treasurer and the person responsible for completing and filing required campaign finance reports.

C. As a Councilman and the President of the City Council of Jersey City, defendant VEGA was in a position to influence, and did influence, matters relating to real estate development in Jersey City.

Other Individuals

D. There was an individual cooperating with law enforcement (the "CW") who held himself out to be a real estate developer interested in developing real estate properties in Jersey City, including a purported development on Garfield Avenue (the "Garfield Avenue Project"). The CW represented that the CW did business in numerous states, including New York and New Jersey, and paid for goods and services in interstate commerce.

E. Co-conspirator Maher A. Khalil ("Khalil") served as an Assistant Director with the Jersey City Department of Health and Human Services ("HHS"). From in or about March 2008 to in or about July 2009, Khalil accepted a series of corrupt payments from the CW in exchange for, among other things, (i)

exercising and agreeing to exercise Khalil's official influence as a Jersey City official in the CW's favor and (ii) facilitating introductions and corrupt payments to other public officials and candidates for public office who themselves were willing to accept corrupt payments in exchange for exercising their official influence in favor of the CW's development projects.

The Conspiracy

2. From in or about March 2009 to in or about July 2009, in Hudson County, in the District of New Jersey, and elsewhere, defendant

MARIANO VEGA, JR.

did knowingly and willfully conspire and agree with others to obstruct, delay and affect interstate commerce by extortion under color of official right -- that is, by obtaining corrupt cash payments, illegal campaign contributions and other benefits from the CW, with the CW's consent, in exchange for defendant VEGA's official assistance, action and influence in Jersey City government matters.

Object of the Conspiracy

3. The object of the conspiracy was for defendant MARIANO VEGA, JR., and others to accept and agree to accept corrupt cash payments, illegal campaign contributions and other benefits from the CW in exchange for defendant VEGA's official assistance, action and influence in Jersey City government matters.

4. It was part of the conspiracy that defendant MARIANO VEGA, JR., Khalil, and others received illegal political contributions from the CW in order to fund the Vega Campaign Account and to otherwise financially support defendant VEGA and, in return, promised and agreed that defendant VEGA would use his official position to assist the CW in obtaining government approvals for real estate development projects in Jersey City.

5. It was further part of the conspiracy that defendant VEGA and others actively concealed material facts by providing false information and making material omissions, to include utilizing "straw donors" to unlawfully convert corrupt cash payments received from the CW into illegal political contributions benefitting defendant VEGA, and submitting or causing to be submitted, materially false campaign finance reports.

6. To further the conspiracy, defendant VEGA, Khalil, and others conducted the following activity in the District of New Jersey and elsewhere:

March 5, 2009 Meeting

A. On or about March 5, 2009, defendant VEGA met with Khalil and the CW at a restaurant in Jersey City. At the meeting, defendant VEGA was informed by Khalil and the CW that the CW was interested in developing the Garfield Avenue Project and that the CW wanted to receive defendant VEGA's official

assistance in that regard. Defendant VEGA expressed a willingness to assist the CW with the Project "if [he could]." Defendant VEGA further discussed with the CW a number of ways in which the CW could provide financial support to defendant VEGA's ongoing re-election campaign.

March 17, 2009 Meeting

B. On or about March 17, 2009, defendant VEGA met with Khalil and the CW at a restaurant in Jersey City. At the meeting, defendant VEGA asked the CW for information about the Garfield Avenue Project. Defendant VEGA asked the CW what type of zoning then existed for the property, and the CW indicated in response that he would need a zone change in order to develop the property in the manner that the CW desired. Several minutes later, defendant VEGA accepted from the CW a \$2,600 check made payable to the Vega Campaign Account. At the end of the meeting, defendant VEGA was informed by the CW that the CW considered the size of the \$2,600 check an "embarrassment" for the CW and that the CW hoped in the future to do something for defendant VEGA "on a larger scale." Defendant VEGA further was informed by the CW that the CW did not want defendant VEGA to forget the CW when it came time for the CW to seek approvals for the CW's real estate projects in Jersey City. Defendant VEGA responded that he would not forget.

April 27, 2009 Meeting

C. On or about April 27, 2009, defendant VEGA met with Khalil and the CW at a restaurant located in a hotel in Jersey City. At the meeting, defendant VEGA discussed with Khalil and the CW the CW's purported Garfield Avenue Project as well as another purported development in the Journal Square area of Jersey City. Defendant VEGA was informed by the CW that defendant VEGA could "count on" the CW as a "friend." The CW then asked defendant VEGA whether the CW should "do everything through [Khalil]." Defendant VEGA confirmed that Khalil was his "leader." Defendant VEGA then suggested that the CW could have "other associates" write checks to the Vega Campaign Account on the CW's behalf, in response to which Khalil indicated that he could arrange to have other individuals write checks on the CW's behalf.

D. Later in the meeting, the CW confirmed with defendant VEGA that the CW would provide "green," meaning cash, to Khalil so that Khalil could arrange to have other individuals write checks to the VEGA Campaign Account on the CW's behalf. Defendant VEGA then was informed by the CW that, in return, the CW did not want defendant VEGA to "forget [the CW's] name and number" when it came time for the CW to seek approvals for the CW's development projects in Jersey City. Defendant VEGA responded that he had a "good memory." Defendant VEGA further

was informed by the CW that the CW would "do another ten"-- meaning provide another \$10,000 payment to defendant VEGA--"after the election." Defendant VEGA responded, "Good."

E. At the conclusion of the meeting, defendant VEGA again was informed by the CW that the CW would give \$10,000 to Khalil for the benefit of defendant VEGA and that defendant VEGA could "do whatever [he] want[ed] with it." In response, defendant VEGA thanked the CW and stated, "I appreciate it."

May 6, 2009 Meeting & \$10,000 Corrupt Payment

F. On or about May 6, 2009, defendant VEGA met with Khalil and the CW at a restaurant located in a hotel in Jersey City. At the meeting, defendant VEGA was informed by the CW that the CW intended to give Khalil "ten thousand" that day for the benefit of defendant VEGA and that defendant VEGA could do whatever he wanted with it, as long as the CW's name did not appear anywhere in connection with the money. Defendant VEGA further was informed by the CW that the CW would give defendant VEGA another \$10,000 after the election. When the CW mentioned the Garfield Avenue Project, defendant VEGA indicated that he wanted to see plans for the project so that he could see whether the project was "possible." Defendant VEGA also indicated his willingness to meet with other Jersey City officials in order to discuss the CW's project with them.

G. In a separate conversation held outside the presence of defendant VEGA, Khalil was informed by the CW that the CW had told defendant VEGA that the CW would give defendant VEGA \$10,000 that day and \$10,000 after the election. Khalil asked the CW whether defendant VEGA "want[ed] checks," meaning, whether defendant VEGA wanted Khalil to provide the cash to other individuals and arrange for those individuals to write checks to the Vega Campaign Account on behalf of the CW. The CW stated that the CW did not know and suggested that Khalil speak to defendant VEGA about it.

H. At the conclusion of the meeting, the CW again confirmed with defendant VEGA that the CW would give \$10,000 to Khalil that day for the benefit of defendant VEGA and that the CW would provide defendant VEGA with another \$10,000 after the May 12, 2009 election. Defendant VEGA was informed by the CW that "all [the CW] ask[ed]" was that defendant VEGA expedite the CW's zone change application and not "lose [the CW] in the bottom of the pile." Defendant VEGA responded that he "[kept] focused." Immediately after this conversation, Khalil and the CW walked together toward their cars in the parking lot outside the hotel. At that point, Khalil indicated to the CW that defendant VEGA wanted the CW to provide the corrupt \$10,000 cash payment to Khalil so that Khalil could arrange to have others write checks to the Vega Campaign Account. Khalil then accepted from the CW

an envelope containing \$10,000 in cash intended for the benefit of defendant VEGA.

I. After providing the \$10,000 corrupt cash payment to Khalil, the CW walked back to the hotel from the parking lot and spoke to defendant VEGA. Defendant VEGA was informed by the CW that the CW "gave that thing to [Khalil]," meaning, the envelope containing the \$10,000 corrupt cash payment, and that the CW and defendant VEGA would meet again the following week to "do the same."

Concealment of the May 6, 2009 \$10,000 Corrupt Payment

J. On or about May 7, 2009, Khalil converted the \$10,000 corrupt cash payment received from the CW the previous day into illegal "straw donor" checks made payable to the Vega Campaign Account, as follows:

i. Khalil provided \$2,600 in cash to a political associate ("Individual 1") and, in return, received a check for \$2,600 made payable to the Vega Campaign Account.

ii. Khalil provided \$2,200 in cash to an acquaintance ("Individual 2") and, in return, received a check for \$2,200 made payable to the Vega Campaign Account.

iii. Khalil provided \$2,600 in cash to an acquaintance ("Individual 3") and, in return, received a check for \$2,600 made payable to the Vega Campaign Account.

iv. Khalil provided \$2,600 to an acquaintance ("Individual 4") and, in return, received a check from Individual 4's business account made payable to the Vega Campaign Account.

K. Defendant VEGA accepted these "straw donor" checks from Khalil and deposited them in the Vega Campaign Account on or about May 11, 2009. On or about May 13, 2009, defendant VEGA completed and signed a New Jersey Election Law Enforcement Commission ("NJ ELEC") Form C-1, reporting contributions exceeding \$1,000 from one source. On the form, which defendant VEGA filed with NJ ELEC on or about May 26, 2009, defendant VEGA falsely reported that he had received a total of \$10,000 from Individuals 1, 2, 3, and 4 combined, rather than from the CW, the true source of the corrupt payment.

May 26, 2009 Meeting & \$10,000 Corrupt Payment

L. On or about May 26, 2009, defendant VEGA met with Khalil and the CW at a restaurant in Jersey City. At the meeting, prior to the arrival of defendant VEGA, the CW asked Khalil whether defendant VEGA was "all happy" with the \$10,000 payment the CW had provided on or about May 6, 2009. Khalil responded that defendant VEGA was "very happy" and that defendant VEGA would not "give [the CW] a hard time" about accepting another \$10,000 that day, but would want it to be converted to checks in the same fashion, with Khalil's assistance. Khalil further stated that when he provided the straw donor checks from

Individuals 1, 2, 3, and 4 to defendant VEGA, Khalil informed defendant VEGA that "these are from yours truly, [the CW]" and that defendant VEGA was "very, very happy." Khalil then stated that the day after defendant VEGA accepted these checks from Khalil, defendant VEGA had telephoned Khalil to obtain information about the straw donors in order to report that information on the campaign finance reports required by NJ ELEC.

M. After defendant VEGA's arrival at the meeting, defendant VEGA, Khalil and the CW discussed defendant VEGA's successful re-election as a Jersey City Councilman two weeks earlier, as well as the fact that two other City Council candidates aligned with defendant VEGA were scheduled to participate in an upcoming run-off election. Defendant VEGA suggested that the CW support these candidates financially, as they represented potential City Council votes for the CW's projects. Defendant VEGA was informed by the CW that the CW was willing to support these candidates financially "through [defendant VEGA]" but that the CW did not want his name to appear on anything in connection with such support.

N. Later in the meeting, defendant VEGA asked the CW about the status of the Garfield Avenue Project. Defendant VEGA was informed in response that the CW wanted defendant VEGA's "support" on the project and to have the CW's approvals "expedited," that the CW would provide defendant VEGA with

another \$10,000, and that the CW wanted to be defendant VEGA's "friend."

O. At the conclusion of the meeting, in the parking lot outside the restaurant, defendant VEGA accepted from the CW an envelope containing \$10,000 in cash. Defendant VEGA handed the envelope to Khalil, asking, "Can I give this to you?" Khalil took the envelope and asked defendant VEGA whether he "want[ed] [Khalil] to get checks." Defendant VEGA responded, "I prefer." Shortly thereafter, defendant VEGA was informed by the CW that the CW wanted to make sure that the CW had defendant VEGA's vote to approve the Garfield Avenue Project. Defendant VEGA indicated in response that the CW should provide defendant VEGA with plans for the project. The CW then stated that the CW wanted to know if he had a "friend," to which defendant VEGA responded, "You've got a friend. You've got that." Defendant VEGA further reminded the CW that it was important for the CW to financially support the two candidates aligned with defendant VEGA who were facing the upcoming run-off election.

Concealment of the May 26, 2009 \$10,000 Corrupt Payment

P. From on or about May 27, 2009 to on or about June 1, 2009, Khalil converted the \$10,000 corrupt cash payment received from the CW on May 26, 2009, into illegal "straw donor" checks made payable to the Vega Campaign Account, as follows:

i. On or about May 27, 2009, Khalil provided \$2,500 in cash to a political associate ("Individual 5") and, in return, received a check for \$2,500 made payable to the Vega Campaign Account.

ii. On or about May 30, 2009, Khalil provided \$2,500 in cash to an acquaintance ("Individual 6") and, in return, received a check for \$2,500 made payable to the Vega Campaign Account.

iii. On or about May 30, 2009, Khalil provided \$2,500 in cash to an acquaintance ("Individual 7") and, in return, received a check for \$2,500 made payable to the Vega Campaign Account.

iv. On or about May 28, 2009, Khalil provided \$2,500 to a political associate ("Individual 8") and, in return, on or about June 1, 2009, received a check from Individual 8's brother's business account made payable to the Vega Campaign Account.

June 2, 2009 Meeting Between Khalil and the CW

Q. On or about June 2, 2009, Khalil and the CW met at a restaurant in Union City, New Jersey. At the meeting, Khalil informed the CW of the fact that he had converted the \$10,000 payment made by the CW to defendant VEGA on or about May 26, 2009, into four \$2,500 checks made payable to the Vega Campaign Account and displayed the checks to the CW. At the meeting,

Khalil accepted a cash payment of \$5,000 from the CW in exchange for his assistance in facilitating the corrupt arrangement with defendant VEGA. Khalil informed the CW that he was scheduled to meet with defendant VEGA that afternoon in order to deliver the checks to defendant VEGA. Khalil indicated that the particular location for his meeting with defendant VEGA had been chosen because Khalil did not want anyone to find out what he and defendant VEGA were doing.

R. Defendant VEGA accepted the "straw donor" checks from Individuals 5, 6, 7, and 8 from Khalil and deposited them, on or about June 4, 2009, in the Vega Campaign Account.

July 9, 2009 Meeting & \$10,000 Corrupt Payment

S. On or about July 9, 2009, defendant VEGA met with Khalil and the CW at a restaurant in Jersey City, New Jersey. During the meeting, the CW received an incoming telephone call from Individual 5. After concluding the call, the CW asked defendant VEGA if defendant VEGA knew Individual 5; in response, defendant VEGA indicated that the name was unfamiliar to him.

T. During the meeting, defendant VEGA discussed the CW's development projects with Khalil and the CW. Defendant VEGA was reminded by the CW that the CW wanted defendant VEGA's support for the CW's projects in Jersey City. In response, defendant VEGA informed the CW that defendant VEGA intended to contact a Jersey City redevelopment official in order to discuss

the Garfield Avenue Project with that official.

U. At the conclusion of the meeting, as the parties exited the restaurant, defendant VEGA was informed by the CW that the CW intended to give defendant VEGA another \$10,000 payment that day. The CW asked defendant VEGA whether the CW should "do it the same way . . . through [Khalil]," in response to which defendant VEGA nodded and said, "Yes, through [Khalil]." Outside the restaurant, defendant VEGA asked the CW for a copy of the plans for the Garfield Avenue Project. The CW retrieved a map of the property and an envelope containing the \$10,000 cash payment from his car. The CW provided the map to defendant VEGA and displayed the envelope to him, saying, "This is the 10,000 I promised you before the election." Defendant VEGA responded, "Give it to [Khalil]." Khalil then accepted the envelope from the CW in defendant VEGA's presence while the CW informed him, "This is what I promised [defendant VEGA], the ten."

Concealment of \$5,000 of the July 9, 2009 \$10,000
Corrupt Payment

V. From on or about July 20, 2009 to on or about July 22, 2009, Khalil converted \$5,000 of the \$10,000 corrupt cash payment received from the CW on July 9, 2009, into illegal "straw donor" checks made payable to the Vega Campaign Account, as follows:

i. On or about July 20, 2009, Khalil provided \$2,500 in cash to an acquaintance ("Individual 9") and, in

return, received a check for \$2,500 made payable to the Vega Campaign Account.

ii. On or about July 22, 2009, Khalil provided \$2,500 in cash to a political associate ("Individual 10") and, in return, received one check for \$1,500 from Individual 10's personal account and one check for \$1,000 from Individual 10's business account, both made payable to the Vega Campaign Account.

W. On or about July 22, 2009, defendant VEGA agreed to be interviewed by agents of the Federal Bureau of Investigation ("FBI") at his home in Jersey City. Defendant VEGA was asked by the agents whether he knew the CW, and defendant VEGA falsely denied that he did and that he had ever spoken with any real estate developer regarding the Garfield Avenue Project. Upon being shown a photograph of the CW by the agents, defendant VEGA again falsely denied knowing the CW, notwithstanding the fact that defendant VEGA and the CW had met and shared meals with one another approximately six times between on or about March 5, 2009 and on or about July 9, 2009, and notwithstanding the fact that the most recent of these meetings had occurred only 13 days prior to the interview.

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

COUNTS TWO TO FOUR
(Attempted Obstruction of Commerce by Extortion
Under Color of Official Right)

1. Paragraphs 1 and 4 to 6 of Count One of this Indictment are hereby repeated and realleged as if set forth in full herein.

2. On or about the dates set forth below, in Hudson County, in the District of New Jersey, and elsewhere, defendant

MARIANO VEGA, JR.

and others knowingly and willfully did attempt to obstruct, delay and affect interstate commerce by extortion under color of official right -- that is, by directly and indirectly obtaining the corrupt cash payments and illegal campaign contributions set forth below from the CW, with his consent, in exchange for defendant VEGA's official assistance, action and influence in Jersey City government matters:

| COUNT | APPROXIMATE DATE | AMOUNT OF PAYMENT |
|-------|------------------|-------------------|
| TWO | May 6, 2009 | \$10,000 |
| THREE | May 26, 2009 | \$10,000 |
| FOUR | July 9, 2009 | \$10,000 |

In violation of Title 18, United States Code, Section 1951(a) and Section 2.

COUNTS FIVE TO SEVEN
(Acceptance of Corrupt Payments)

1. Paragraphs 1 and 4 to 6 of Count One of this Indictment are hereby repeated and realleged as if set forth in full herein.

2. At all times relevant to Counts Five to Seven of this Indictment, Jersey City received in excess of \$10,000 in federal funds during a one-year period.

3. On or about the dates set forth below, in Hudson County, in the District of New Jersey, and elsewhere, defendant

MARIANO VEGA, JR.

and others knowingly, willfully and corruptly did accept and agree to accept the items of value set forth below, namely, corrupt cash payments and illegal campaign contributions, intending to be influenced and rewarded in connection with a business, transaction, and series of transactions of Jersey City government, involving things of value of \$5,000 and more:

| COUNT | APPROXIMATE DATE | AMOUNT OF PAYMENT |
|-------|------------------|-------------------|
| FIVE | May 6, 2009 | \$10,000 |
| SIX | May 26, 2009 | \$10,000 |
| SEVEN | July 9, 2009 | \$10,000 |

In violation of Title 18, United States Code, Sections 666(a)(1)(B) and Section 2.

COUNT EIGHT
(False Statements)

1. Paragraphs 1 and 6(W) of Count One of this Indictment are hereby repeated and realleged as if set forth in full herein.

2. On or about July 22, 2009, in Hudson County, in the District of New Jersey and elsewhere, defendant

MARIANO VEGA, JR.

did knowingly and willfully make a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the Executive Branch of the Government of the United States -- namely the FBI.

In violation of Title 18, United States Code, Section 1001(a)(2).

Forfeiture Allegation

As the result of committing the aforementioned offenses in violation of Title 18, United States Code, Sections 666(a)(1)(B) and 1951(a), as alleged in this Indictment, defendant MARIANO VEGA, JR. 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 constitutes or is derived from proceeds traceable to the commission of the offenses, including but not limited to, approximately \$30,000 in United States currency, in that such sum constitutes or is derived, directly or indirectly, from proceeds traceable to the commission of the offenses of bribery of a public official and conspiracy and attempt to obstruct commerce by extortion under color of official right.

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

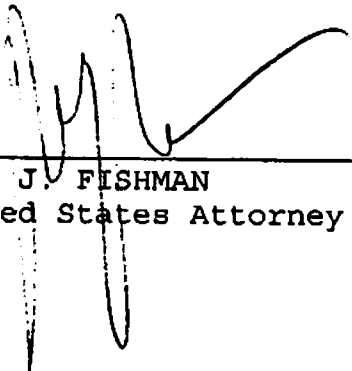
- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot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

In violation of 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

FOI

CASE NUMBER: _____

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

UNITED STATES OF AMERICA

v.

MARIANO VEGA, JR.

INDICTMENT FOR

**18 U.S.C. §§ 666(a)(1)(B), 981(a)(1)(C), 1001(a)(2),
1951(a) & § 2; 28 U.S.C. § 2461**

A True Bill,

PAUL J. FISHMAN

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