

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
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Newark, New Jersey 07102



Paul J. Fishman, U.S. Attorney

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Former Mayor of North Arlington and Wife Plead Guilty To Attempted Tax Evasion

(More)

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NEWARK – Leonard Kaiser, the former mayor of North Arlington, who also previously served as the executive director of the Bergen County Utilities Authority and a commissioner of the New Jersey Meadowlands Commission, and his wife both pleaded guilty today to attempted tax evasion charges, U.S. Attorney Paul J. Fishman announced.

Kaiser, 61, and his wife, Barbara Kaiser, 60, both of North Arlington, made their first appearances in federal court and pleaded guilty before U.S. District Judge Dennis M. Cavanaugh to a one-count Information that charges them both with attempted tax evasion. Judge Cavanaugh released both defendants on \$25,000 unsecured bonds pending sentencing, which is scheduled for May 17.

According to the Information, Leonard and Barbara Kaiser established an election fund in connection with Leonard Kaiser's 2002 mayoral reelection campaign. Barbara Kaiser served as Treasurer of the election fund.

At their plea hearing, Mr. and Mrs. Kaiser admitted that while they knew that New Jersey election laws prohibited the personal use of campaign funds, after Leonard Kaiser lost the 2002 election, they nevertheless caused a number of checks to be issued from the election fund to Barbara Kaiser personally. Mr. and Mrs. Kaiser further admitted that, though many of the checks indicated on their face that they were for "salary," the payments were neither disclosed on campaign finance forms filed with the N.J. Election Law Enforcement Commission, nor reported as income to the IRS. Mr. and Mrs. Kaiser admitted that from 2002 to about 2004, they received just under \$30,000 in income from the election fund that they deliberately did not report as income on their federal tax returns in order to avoid paying taxes.

"The misappropriation of campaign funds and attempts to conceal such activity pose a significant threat to the political process," said Fishman. "Contributors to an election fund expect that their contributions will be used for the intended purpose, and not to personally enrich the candidate."

The charge to which the defendants pleaded guilty carries a maximum penalty of five years in prison and a \$250,000 fine.

In determining an actual sentence, Judge Cavanaugh will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Fishman credited Special Agents of the IRS, under the direction of Special Agent in Charge William P. Offord, and Special Agents of the FBI, under the direction of Acting Special Agent in Charge Kevin B. Cruise, with investigation of the case against Mr. and Mrs. Kaiser.

The United States is represented by Assistant U.S. Attorneys Thomas R. Calcagni and Rachael A. Honig of the U.S. Attorney's Special Prosecutions Division, in Newark.

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Defense Counsel:

Leonard Kaiser - Samuel Moulthrop, Esq.; Morristown
Barbara Kaiser - Carmen Saginario, Esq.; Trenton