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May 10, 2007

Former Far Hills Councilman Pleads Guilty
to Conspiracy to Launder \$700,000

(More)

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NEWARK – A former Far Hills Councilman who served as the town council's police commissioner pleaded guilty yesterday to conspiring to launder approximately \$700,000 in what he believed to be the proceeds of loansharking and illegal gambling as part of a scheme to defraud the IRS of more than \$200,000 he owed in personal income taxes, U.S. Attorney Christopher J. Christie announced.

Thomas A. Greenwald, 53, of Chatham, and formerly of Far Hills, appeared Wednesday before U.S. District Court Judge William J. Martini and entered a guilty plea to both counts of a two-count criminal Information charging him with conspiracy to commit money laundering and conspiracy to defraud the IRS. Judge Martini scheduled sentencing for Aug. 23.

The money laundering count to which Greenwald pleaded guilty carries a statutory maximum penalty of 20 years in prison while the conspiracy to defraud the IRS count carries a statutory maximum penalty of 5 years. Both counts carry a maximum fine of \$250,000.

During the plea proceeding Greenwald admitted that he was introduced to two individuals who he believed to be involved in loansharking and illegal gambling activities. Greenwald later learned that they were undercover FBI agents. Greenwald informed the court that he met these individuals through Stephen Appolonia, a co-owner of International Trucks of Central Jersey, after Appolonia informed Greenwald that Greenwald could make a substantial sum of cash through laundering these funds.

Greenwald also admitted that, after meeting the undercover FBI agents, he informed Appolonia that he wished to launder approximately \$700,000 in loansharking and illegal gambling proceeds for them. Greenwald explained that he wished to launder this amount for the purpose of creating fraudulent business expenses in relation to an oil tank business he had sold in late 2004 so that he could falsely reduce the amount he owed in personal income taxes for calendar year 2004. To this end, Greenwald admitted to having the undercover FBI agents produce fraudulent invoices for construction and demolition work they had purportedly performed on behalf of Greenwald's business.

At the hearing, Greenwald conceded that the scheme, if completed, would have resulted in defrauding the IRS of between \$200,000 and \$400,000 in taxes he owed.

During the plea proceedings, Greenwald specifically admitted the following:

- On Nov. 11, 2004, he provided the undercover FBI agents with an \$18,000 check in exchange for \$20,000 in cash which he believed to be loansharking proceeds.
- On Jan. 17, 2005, he provided the undercover FBI agents with a 93,000 check drawn upon his business account in exchange for \$100,000 in cash he believed to be loansharking proceeds.
- On Jan. 20, 2005, he provided the undercover FBI agents with a check drawn upon his business account in the amount of \$46,500 in exchange for \$50,000 in cash at which time he accepted an invoice documenting \$326,450 in fictitious construction and demolition services purportedly

rendered by the company by which the undercover FBI agents were supposedly employed. As set forth in the criminal Complaint filed originally in this matter, it was on this occasion that Greenwald inquired whether he could hire the undercover agents for a strong-arm collection of a debt and claimed that he had once hired a former inmate to collect a debt who had “whacked the guy with a baseball bat,” leaving the individual with “a stutter for the rest of his life.”

- On Feb. 4, 2005, he provided two checks totaling \$93,000 drawn upon the corporate accounts of companies he owned in exchange for \$100,000 in cash he believed to be loansharking proceeds at which time he provided the undercover FBI agents with written instructions for the creation of additional fraudulent invoices.

- On Feb. 16, 2005, he provided the undercover FBI agents with a \$93,000 corporate check in exchange for \$100,000 cash which he believed to be loansharking proceeds.

As part of the plea proceedings, Greenwald agreed to forfeit \$25,900 to the United States which represented the fees he had earned for laundering the cash provided by the undercover FBI agents.

Greenwald resigned as a Far Hills councilman in 2005 as a result of the instant charges. The guilty plea of Thomas Greenwald represents the latest conviction to arise from Operation Bid Rig, the same investigation which has led to charges being filed against more than 18 officials in Monmouth and Ocean Counties over the last several years, including convictions of the former mayors of Asbury Park, Ocean Township, West Long Branch, Brick Township, Hazlet and Keyport as well as councilmen from Asbury Park, Neptune Township, Middletown and Long Branch.

Christie credited Special Agents of the FBI's Red Bank Resident Agency, under the direction of Acting Special Agent in Charge Pedro Ruiz, in Newark, as well as Special Agents with Internal Revenue Service's Criminal Investigation Division under the direction of Special Agent in Charge William P. Offord, for their work in the investigation of Greenwald.

The case is being prosecuted by Assistant U.S. Attorney Mark J. McCarren, the Chief of the Public Protection Unit.

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Defense Counsel: Paul J. Fishman, Esq., Newark