

NEWS

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FOR IMMEDIATE RELEASE

Sept. 18, 2009

Ex-Hudson County Official Admits Conspiring with Numerous Others to Extort Cash in Return for Official Influence

– Board of Elections Investigator Also Pleads Guilty to Similar Conduct –

(More)

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NEWARK – Former Hudson County affirmative action officer and Jersey City Board of Education vice president Edward Cheatam pleaded guilty today to conspiring with the city’s deputy mayor and others to accept corrupt cash payments, illicit political contributions and other benefits in return for their official influence, Acting U.S. Attorney Ralph J. Marra, Jr., announced.

Cheatam, who was also a commissioner with the Jersey City Housing Authority, admitted before U.S. District Judge Jose L. Linares that he personally took \$70,000 in corrupt cash payments from a cooperating witness who represented himself to be a real estate developer. Cheatam said the corrupt payments were in exchange for his own official actions benefitting the cooperating witness as well as his facilitation of meetings with and payments to other officials and candidates for public office in Jersey City and beyond.

During his guilty plea, Cheatam implicated Jersey City Deputy Mayor Leona Beldini. Cheatam said Beldini agreed to accept illicit political contributions and other benefits, including an agreement to serve as the real estate broker for one of the cooperating witness’s development projects in Jersey City, in exchange for her and another’s official action favoring the cooperating witness.

Cheatam said that Beldini was one of numerous public officials and candidates for public office to whom Cheatam introduced the cooperating witness. Like Beldini, according to Cheatam, these officials and candidates agreed to accept corrupt payments and, in some cases, illicit political contributions in exchange for agreeing to exercise official influence and action in favor of the cooperating witness’s purported development projects.

Among the officials and candidates Cheatam said he introduced to the cooperating witness in furtherance of the corrupt activity were: New Jersey Assemblyman L. Harvey Smith; Jersey City mayoral candidate Louis Manzo and his brother Ronald; then-Hoboken mayoral candidate Peter Cammarano and North Hudson Utilities Authority Commissioner Michael Shaffer; Jersey City Council candidates Lavern Webb-Washington, Lori Serrano and Jimmy King; and Secaucus Mayor Dennis Ellwell.

As stipulated in Cheatam’s plea agreement, the loss amount to the government paid in corrupt cash payments and illicit political contributions exceeded \$200,000. That figure comprises corrupt payments to those named in court today and others unnamed.

Also pleading guilty today was Denis Jaslow, an investigator with the Hudson County Board of Elections, who admitted that he took \$15,500 in corrupt cash payments from the cooperating witness. Jaslow admitted that he took the payments for the purpose of facilitating introductions to other public officials and candidates for public office who were willing to take cash in exchange for exercising their official influence in favor of the cooperating witness’s purported development plans.

Jaslow said that he introduced and/or arranged meetings between the cooperating witness and Jersey City council candidate Michael J. Manzo and Joseph Castagna, also a Jersey City official, as well as with a specific candidate for municipal office (unnamed in court or charging documents) who accepted \$10,000 in illicit political contributions from the cooperating witness. Jaslow admitted that he helped convert corrupt cash payments benefitting the unnamed candidate into illicit contributions through the use of “straw” donors.

“Today’s guilty pleas constitute another important step as we move forward with our cases on both the public corruption and money laundering fronts of this investigation,” said Marra. “We are pleased with the progress to date but still have much work to do.”

Cheatam and Jaslow both pleaded guilty to one count of conspiracy to commit extortion under color of official right, which carries a maximum statutory penalty of 20 years in prison and a \$250,000 fine. (Cheatam pleaded guilty to the sole count in an indictment returned on Aug. 20 that named him and Beldini; Jaslow pleaded guilty to a one-count criminal Information.)

Judge Linares scheduled sentencing for both Cheatam and Jaslow on December 22.

The cases against Cheatam and Jaslow are being handled by Assistant U.S. Attorney Sandra L. Moser of the U.S. Attorney’s Office Special Prosecutions Division in Newark.

Marra credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, and the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, for the investigation of Cheatam, Jaslow and the other defendants. Marra also thanked the Monmouth County Prosecutor’s Office, under the direction of Prosecutor Luis A. Valentin, for their assistance in the investigation.

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Defense Counsel:

Jaslow – James P. Lisa, Esq., Garden City, N.Y.

Cheatam – John J. Collins, Esq., and Alfonso Robinson III, Esq., Jersey City