

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
United States District Judge
v. : Crim. No.
ANTHONY J. RUSSO : 18 U.S.C. §§ 1341, 1346, 1951,
and 2

INDICTMENT

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

COUNTS 1 - 6

Scheme to Defraud the Public of Russo's Honest Services

Defendant

1. On or about May 11, 1993, defendant ANTHONY J. RUSSO was elected Mayor of the City of Hoboken, New Jersey and was sworn in on July 1, 1993. He was re-elected on or about May 13, 1997 and sworn in on July 1, 1997 to serve a second, four-year term. In this position, defendant ANTHONY J. RUSSO considered and acted upon financial matters affecting the City of Hoboken, including the award of contracts to vendors doing business with the City of Hoboken and the approval of payments pursuant to those contracts.

Public's Right to, and Defendant's Duty of, Honest Services

2. At all times relevant to Counts 1 to 6 of this Indictment, the City and citizens of Hoboken had an intangible

right to the honest services of their elected public officials. As an elected public official for the City of Hoboken, defendant ANTHONY J. RUSSO owed the City and the citizens of Hoboken a duty to (A) refrain from receiving bribes, payments and other benefits designed to (i) improperly affect the performance of official duties or (ii) coax favorable official action or inaction and (B) disclose conflicts of interest and other material information in matters over which he exercised official authority and discretion that resulted in his personal gain.

Vendors/Contractors Doing and Seeking Business from Hoboken

3. At all times relevant to Counts 1 to 6 of this Indictment, the following companies and individuals contracted, and were seeking contracts, with the City of Hoboken, and were seeking official favors from defendant ANTHONY J. RUSSO:

(a) There were various individuals ("Bar Owners") who owned liquor licenses to operate bars and restaurants in Hoboken that were subject to regulations promulgated by the Hoboken Alcohol Beverage Control Board ("ABC") and subject to temporary closure and license non-renewal for failure to abide by the regulations;

(b) Contractor No. 1 was a business which contracted with the City of Hoboken to use public land to operate a paid parking facility for the public at a succession of locations on the Hoboken Waterfront;

(c) Contractor No. 2 was in the business of towing impounded and abandoned vehicles in the City of Hoboken;

(d) Contractor No. 3 was an accounting firm; and

(e) Contractor No. 4 was an attorney.

Scheme and Artifice to Defraud Public of Honest Services

4. From in or about January, 1993, to in or about December, 2001, in Hudson County, in the District of New Jersey, and elsewhere, defendant

ANTHONY J. RUSSO

knowingly and willfully did devise and intend to devise a scheme and artifice to defraud the City of Hoboken and its citizens of the right to defendant ANTHONY J. RUSSO'S honest services in the affairs of the City of Hoboken.

5. The object of this scheme and artifice to defraud was for defendant ANTHONY J. RUSSO to receive corrupt payments in cash from individuals and entities doing, and seeking, business with the City of Hoboken, in exchange for his official action and inaction in connection with violations of ABC regulations at the Bar Owners' businesses and with the Contractors' contracts with the City of Hoboken, and to conceal from the City of Hoboken and its citizens material information -- namely, defendant ANTHONY J. RUSSO's receipt of these corrupt payments.

Defendant Russo Accepts Cash Payments and Other Benefits

6. It was a part of this scheme and artifice to defraud that:

A. From in or about 1994 to in or about 1996, defendant ANTHONY J. RUSSO accepted corrupt cash payments of various amounts totaling approximately at least \$5,000 from the Bar Owners. Defendant ANTHONY J. RUSSO accepted these payments through an intermediary (hereinafter "the Intermediary"), who threatened to cause the prosecution of ABC violations if the cash payments were not made.

B. From in or about 1994 to in or about 1996, defendant ANTHONY J. RUSSO solicited and accepted corrupt cash payments of several thousand dollars on an approximately monthly basis from Contractor No. 1. Defendant ANTHONY J. RUSSO accepted these payments through the Intermediary knowing they were made in order to influence and reward defendant ANTHONY J. RUSSO for his official action, including action in connection with the awarding of contracts for the operation of parking facilities on public land.

C. In or about 1997, defendant ANTHONY J. RUSSO solicited and accepted a corrupt cash payment of at least approximately \$15,000, from Contractor No. 2. Defendant ANTHONY J. RUSSO accepted this payment through the Intermediary knowing it was made to influence and reward him for his official action,

including action in connection with the awarding of municipal towing contracts to Contractor No. 2.

D. From in or about 1997 to in or about December, 2001, defendant ANTHONY J. RUSSO solicited and accepted corrupt cash payments, on an ongoing basis, in increments of thousands of dollars at a time, from Contractor No. 3. Defendant ANTHONY J. RUSSO accepted these payments knowing they were made to influence and reward him for his official action, including action in connection with the awarding of municipal contracts for professional accounting services to Contractor No. 3.

E. In or about 1998, defendant ANTHONY J. RUSSO solicited and accepted a corrupt payment of approximately \$1,500 cash from Contractor No. 4. Defendant ANTHONY J. RUSSO accepted this payment knowing it was made to influence and reward him for his official action, including action in connection with the awarding of a Hoboken Board of Education contract for professional legal services to Contractor No. 4.

False Financial Disclosure Statements and Other Acts of Concealment

7. It was a further part of this scheme and artifice to defraud that defendant ANTHONY J. RUSSO concealed from the public his corrupt solicitation and acceptance of cash by the following means:

A. To conceal defendant ANTHONY J. RUSSO's direct

involvement in soliciting and accepting corrupt cash payments, defendant ANTHONY J. RUSSO used the Intermediary to obtain corrupt cash payments from the Bar Owners and Contractors Nos. 1 and 2. Defendant ANTHONY J. RUSSO then accepted the corrupt cash payments from the Intermediary.

B. Defendant ANTHONY J. RUSSO on occasion directly communicated with certain of the payors by hand signals and hand written notes that defendant ANTHONY J. RUSSO caused to be contemporaneously destroyed to avoid being detected and to conceal his solicitation and acceptance of corrupt payments from the public.

C. Defendant ANTHONY J. RUSSO concealed from the public his receipt of corrupt payments from the Contractors and the Bar Owners by intentionally failing to disclose these payments on his Local Government Ethics Law Financial Disclosure Statements ("Financial Disclosure Statements") for the reporting years 1994 through 2001. Defendant ANTHONY J. RUSSO was required to disclose all of the payments described above. Defendant ANTHONY J. RUSSO caused the Financial Disclosure Statements to be filed by United States mail with the State of New Jersey, Department of Community Affairs, Division of Local Government Services in Trenton, New Jersey.

8. On or about the dates listed below, in Hudson County, in the District of New Jersey, and elsewhere, for the purpose of

executing and attempting to execute the scheme and artifice to defraud, defendant

ANTHONY J. RUSSO

and others, knowingly and willfully placed and caused to be placed in a post office and authorized depository for mail, and caused to be delivered thereon, certain mail matter, to be delivered by the United States Postal Service, as described below:

<u>Count</u>	<u>Date</u>	<u>Mailing</u>
1	On or about March 26, 1999	A letter dated March 26, 1999, from City of Hoboken Corporation Counsel addressed to Contractor No. 3.
2	On or about May 3, 1999	A Local Government Ethics Law, Financial Disclosure Statement for reporting year 1998, addressed to Department of Community Affairs, Trenton, New Jersey.
3	On or about February 19, 2000	A letter dated February 19, 2000, from Hoboken Board of Education counsel addressed to Contractor No. 3.
4	On or about May 1, 2000	A Local Government Ethics Law, Financial Disclosure Statement for reporting year 1999, addressed to Department of Community Affairs, Trenton, New Jersey.
5	On or about June 6, 2000	A letter dated June 6, 2000, from City of Hoboken Corporation Counsel addressed to Contractor No. 3.

6

On or about
May 15, 2001

A Local Government Ethics Law,
Financial Disclosure Statement for
reporting year 2000, addressed to
Department of Community Affairs,
Trenton, New Jersey.

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

COUNT 7

(Extortion Under Color of Official Right

-- Contractor No. 3)

1. Paragraphs 1, 3(d) and 6(D) are repeated and realleged as if set forth in full herein.

2. From in or about June, 1997 to in or about December, 2001, in Hudson County, in the District of New Jersey, and elsewhere, defendant

ANTHONY J. RUSSO

knowingly and willfully did obstruct, delay and affect interstate commerce by extortion, that is, did obtain money and things of value from Contractor No. 3 with Contractor No. 3's consent under color of official right.

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

A TRUE BILL

FOREPERSON

CHRISTOPHER J. CHRISTIE
UNITED STATES ATTORNEY