MJM/9703816

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon.
v.	:	Crim. No.
JAMES CONDOS and PHILIP KONVITZ	:	18 U.S.C. §§ 666, 1341, 1343, 1346, 1951(a) and 2

INDICTMENT

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

COUNTS 1 to 4

(Scheme to Defraud Public of Councilman Condos's Honest Services By Konvitz's Exertion of Influence and Control Over Condos in City of Asbury Park Matters)

Defendants and Other Entities

1. At all times relevant to Counts 1 to 4 of this Indictment, defendant JAMES CONDOS served as a member of the Asbury Park City Council from on or about July 1, 1997 to on or about June 30, 2001, having been elected on or about May 13, 1997 at an annual salary of $3,000 through on or about December 31, 1997 and $5,000 per year thereafter. CONDOS'S powers and duties included: the creation and abolition of executive departments, boards and offices; the appointment of the municipal manager, auditor, assessor, clerk, city and redevelopment attorneys and Housing Authority commissioners and voting upon municipal resolutions and ordinances. As a City Council member, CONDOS

voted on financial matters affecting the City of Asbury Park, such as budget appropriations and the award of contracts to vendors.

2. At all times relevant to Counts 1 to 4 of this Indictment, defendant PHILIP KONVITZ was the owner of Jumping Brook Enterprises and the owner of a KIA automobile dealership, both located in Neptune, New Jersey. KONVITZ owned many other properties and interests in and around Asbury Park, New Jersey. As such, KONVITZ had an interest in the activities of Asbury Park government.

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

3. At all times relevant to Counts 1 to 4 of this Indictment, the City and citizens of Asbury Park had an intangible right to the honest services of their elected public officials. As an elected public official for the City of Asbury Park, defendant JAMES CONDOS owed the City and citizens of Asbury Park a duty to: (A) refrain from receiving bribes and other corrupt payments and benefits designed to (i) improperly affect the performance of his official duties or (ii) coax favorable official action or inaction and (B) disclose conflicts of interest pertaining to his direct and indirect personal gain and other material information in official matters over which CONDOS had authority and discretion.

Corrupt Scheme

4. From in or about October, 1999 to in or about June, 2001, in Monmouth County, in the District of New Jersey, and elsewhere, defendants

JAMES CONDOS and
PHILIP KONVITZ

knowingly and willfully did devise and intend to devise a scheme and artifice to defraud the City of Asbury Park and its citizens of the right to defendant JAMES CONDOS'S honest services in the affairs of the City of Asbury Park.

5. The object of this scheme and artifice to defraud was for defendant PHILIP KONVITZ corruptly to control and influence defendant JAMES CONDOS'S official decisionmaking and discretion by providing and arranging for personal financial support for CONDOS as specific opportunities arose and by CONDOS and KONVITZ concealing from the public material information regarding this corrupt activity.

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

(A) Defendant PHILIP KONVITZ controlled and influenced defendant JAMES CONDOS'S official decisionmaking and discretion with respect to City of Asbury Park official matters, including: (i) issues regarding the redevelopment of Asbury Park's oceanfront, including efforts to (a) vote down an initiative

relating to the State of New Jersey's participation in the redevelopment and (b) approve KONVITZ'S appointment to chair a committee relating to the redevelopment; (ii) matters regarding the hiring and termination of City of Asbury Park employees; (iii) the transfer of land owned by KONVITZ in Asbury Park to another company and (iv) matters regarding a city council vote on closing down an Asbury Park night club.

(B) Defendant JAMES CONDOS gave defendant PHILIP KONVITZ regular reports on matters of interest to KONVITZ occurring in Asbury Park City Government.

(C) Defendant JAMES CONDOS accepted money and other benefits from defendant PHILIP KONVITZ, including: (i) a liquor license for the Moonrock Bar and Grill located in Asbury Park, New Jersey (the "Bar") worth at least approximately $25,000 which was transferred to CONDOS and which CONDOS parlayed into a regular stream of revenue and (ii) from on or about October, 1999 to in or about December, 2000, at least approximately $20,000 in checks and cash for CONDOS'S benefit.

(D) Defendant JAMES CONDOS solicited defendant PHILIP KONVITZ (i) to assist CONDOS in receiving a public salary from Monmouth County government; (ii) to give CONDOS a jet boat; (iii) to give CONDOS approximately $4,200 to defray state-tax and liquor-company debts and (iv) to assist CONDOS in obtaining a lease of the property on which the Bar was located for CONDOS in

the name of a nominee so that CONDOS would not be forced to abstain on conflict-of-interest grounds from voting on matters affecting the oceanfront development.

(E) Defendant JAMES CONDOS took steps to conceal this conduct from the public, including: (i) intentionally failing to disclose payments received from defendant PHILIP KONVITZ on his Local Government Ethics Law Financial Disclosure Statement for calendar year 1999 filed with the New Jersey Department of Community Affairs, Division of Local Government Services, Local Finance Board, in Trenton, New Jersey; (ii) reminding KONVITZ not to talk on the telephone about these matters because the telephone might be bugged; (iii) planning to fake the return of $25,000 from CONDOS to KONVITZ that CONDOS had represented to the public that he owed to KONVITZ regarding the Bar liquor-license transfer, so that CONDOS would not be found to have a conflict of interest and, in turn, be able to vote in KONVITZ'S favor with respect to matters pertaining to the oceanfront redevelopment at a city council meetings; (iv) having KONVITZ assist CONDOS in having a nominee receive a lease of the Bar property and then transfer it to CONDOS to conceal the conflict of interest that would arise when CONDOS was called on to vote on issues relating to the actual Bar property owner and (v) coaching KONVITZ to make misleading statements to state investigators regarding the liquor license for the Bar and other money that KONVITZ had given to

CONDOS, including informing KONVITZ that CONDOS had written the phrase "cash for Phil" on some of the checks from KONVITZ that CONDOS had cashed for himself to falsely make it appear that CONDOS had cashed these checks on behalf of KONVITZ.

(F) Defendant PHILIP KONVITZ took steps to conceal this conduct from the public, including: (i) making misleading statements to state investigators regarding the liquor license and other money that KONVITZ had given to defendant JAMES CONDOS, including falsely stating that CONDOS had not coached him to say anything in particular to the investigators and (ii) instructing defendant JAMES CONDOS not to tell anyone about the money that KONVITZ was giving him.

7. On or about the dates listed below, in Monmouth County, in the District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendants

JAMES CONDOS and
PHILIP KONVITZ

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 sent and delivered by United States Postal Service, and transmitted and caused to be transmitted in interstate commerce by means of wire communications certain signs, signals and sounds as described

below:

Count	Date	Mailing or Wire Communication
1	October 8, 1999	Mailing of an application for Transfer of a Retail Liquor License for the benefit of defendant JAMES CONDOS
2	March 8, 2000	Mailing of a Local Government Ethics Law Financial Disclosure Statement for 1999 for JAMES CONDOS addressed to the Local Finance Board, Trenton, New Jersey
3	December 7, 2000, approximately 12:44 p.m	Interstate telephone call by PHILIP KONVITZ attempting to secure a concealed lease of the bar property for CONDOS
4	December 7, 2000, approximately 2:15 p.m.	Interstate telephone call by PHILIP KONVITZ attempting to secure a concealed lease of the bar property for CONDOS

In violation of Title 18, United States Code, Sections 1341, 1343, 1346 and 2.

COUNTS 5 to 6

(Condos's Acceptance of Money for Official Action in Konvitz's Favor)

1. Paragraphs 1 to 2 of Counts 1 to 4 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. On the dates listed below, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

JAMES CONDOS

did knowingly and willfully obstruct, delay and affect interstate commerce by extortion as follows:

COUNT	DATES	CONDUCT
5	From on or about July 26, 2000 to on or about July 27, 2000	accepting and agreeing to accept $5,000, from PHILIP KONVITZ with his consent, in exchange for exercising, and agreeing to exercise, official action and influence in KONVITZ'S favor as specific opportunities arose.
6	From on or about November 20, 2000 to on or about December 22, 2000	agreeing to accept approximately $4,200 from PHILIP KONVITZ with his consent to pay down CONDOS'S sales tax and liquor-company debts, in exchange for exercising, and agreeing to exercise, official action and influence in KONVITZ'S favor as specific opportunities arose

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

COUNT 7

(Honest Services Fraud in Connection with Asbury Park Housing Authority Matters)

1. Paragraphs 1 to 3 of Counts 1 to 4 are hereby incorporated and realleged as if fully set forth herein.

Public's Right to, and Officials' Duties of, Honest Services

2. At all times relevant to Count 7 of this Indictment,

(A) There was a coschemer who was a former Asbury Park public official and who was a candidate for the position of Executive Director of the Asbury Park Housing Authority ("APHA") [hereinafter the "Former Official"]. The Former Official, as a candidate for an official position, owed the APHA and the citizens of Asbury Park a duty to: (i) refrain from engaging in schemes involving the payment of bribes and other corrupt payments and benefits designed to (a) improperly affect the performance of actual or anticipated official duties or (b) coax favorable actual or anticipated official action or inaction and (ii) disclose conflicts of interest pertaining to his direct and indirect personal gain and other material information in official matters, including those over which the Former Official would have authority and discretion.

(B) There was a member of the Asbury Park City Council (the "Council Member") who was cooperating with federal law-

enforcement authorities. The City and citizens of Asbury Park had an intangible right to the honest services of the Council Member. As an elected public official for the City of Asbury Park, the Council Member owed the City and citizens of Asbury Park a duty to: (i) refrain from receiving bribes and other corrupt payments and benefits designed to (a) improperly affect the performance of official duties or (b) coax favorable official action or inaction and (ii) disclose conflicts of interest pertaining to the Council Member's direct and indirect personal gain and other material information in official matters over which the Council Member had authority and discretion.

Corrupt Scheme

3. From in or about August, 2000 to in or about September, 2001, in Monmouth County, in the District of New Jersey, and elsewhere, defendants

JAMES CONDOS and
PHILIP KONVITZ

and the Former Official knowingly and willfully did devise and intend to devise a scheme and artifice to defraud the City of Asbury Park and its citizens of the right to CONDOS'S and the Council Member's honest services in the affairs of the City of Asbury Park and the Former Official's honest services in APHA affairs.

4. The object of this scheme and artifice to defraud was for defendant JAMES CONDOS and the Former Official, with the assistance of defendant PHILIP KONVITZ, (A) to support the selection of certain individuals as APHA commissioners, who would in turn appoint the Former Official to the position of APHA Executive Director, in secret exchange for the Former Official then securing a salary for CONDOS from the APHA; (B) to facilitate this arrangement through bribery of the Council Member and (c) to conceal this corrupt activity from the public.

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

(A) On or about August 28, 2000, defendant PHILIP KONVITZ and the Former Official met at the Jumping Brook Enterprises offices, where the Former Official advised KONVITZ that he had made a commitment to obtain a $40,000 salary from the APHA for defendant JAMES CONDOS.

(B) On or about September 29, 2000, defendant JAMES CONDOS and the Former Official met at the Jumping Brook Enterprises offices and planned part of the scheme: (i) agreeing that they wanted each other to be secure in their contemplated positions--the Former Official as APHA Executive Director and CONDOS in a part-time position at the APHA at a salary of between approximately $30,000 and $50,000 and (ii), since the position that CONDOS sought had to be advertised in the newspaper,

agreeing, at CONDOS'S suggestion, that the advertisement run the week of Christmas, 2000, when nobody would be reading the papers, in an effort to suppress interest in this position and to conceal the rigged nature of this offer of employment.

(C) On or about October 13, 2000, at the Jumping Brook Enterprises offices, defendant JAMES CONDOS and the Former Official planned to have CONDOS vote, and influence another City of Asbury Park council member to vote, in favor of appointments to the commission of the APHA of the Former Official's choice at the Asbury Park City Council meeting the following week. These appointees would then vote the Former Official in as the APHA Executive Director.

(D) On or about October 14, 2000, defendants JAMES CONDOS and PHILIP KONVITZ and the Former Official, among others, met at the Jumping Brook Enterprises offices to determine (i) which candidates they would support to become APHA commissioners and (ii) what city council members' votes would be needed to elect these candidates.

(E) On or about October 17, 2000, defendants JAMES CONDOS and PHILIP KONVITZ met at the Jumping Brook Enterprises offices at which time CONDOS: (i) stated that he would not support any matters that the Council Member supported, if the Council Member did not vote for the individuals that CONDOS was supporting to be APHA commissioners; (ii) explained to KONVITZ

that if the Council Member did not vote appropriately, then the Former Official and CONDOS would be "screwed" with respect to their deal; (iii) requested that KONVITZ call the Council Member and (iv) informed KONVITZ that the Council Member could not learn CONDOS's true motive for seeking the Council Member's support. In response to CONDOS'S request, KONVITZ telephoned the Council Member while CONDOS was present and requested that the Council Member support the Former Official's candidates for the APHA comissionerships at the upcoming city council meeting.

(F) On or about October 18, 2000, defendant PHILIP KONVITZ and the Former Official met at the Jumping Brook Enterprises offices at which time the Former Official instructed KONVITZ to tell the Council Member to support two specific candidates as APHA commissioners and solicited KONVITZ to pay off the Council Member's local tax arrearage in a concealed manner.

(G) On or about October 18, 2000, defendant PHILIP KONVITZ and the Council Member met at the Jumping Brook Enterprises offices at which time KONVITZ: (i) determined that the Council Member owed approximately $6,000 in back taxes; (ii) offered the Council Member $4,000 to pay down the debt; (iii) told the Council Member that the Council Member did not have to pay the money back to KONVITZ and (iv) advised the Council Member that the money would be given to the Council Member by a check from a third party because KONVITZ wanted to conceal the payment.

(H) On or about October 18, 2000, while at the Jumping Brook Enterprises offices, the Former Official advised the Council Member that KONVITZ would pay the Council Member through a third party so that there would be no connection to KONVITZ.

(I) On or about October 18, 2000, at the Asbury Park City Council meeting, in Asbury Park, New Jersey, defendant JAMES CONDOS voted in favor of a resolution appointing a candidate supported by the Former Official as an APHA commissioner and the resolution was approved. Upon observing that the measure would pass without the Council Member's vote, the Council Member abstained from voting on this matter and did nothing to otherwise impede the passage of the resolution.

(J) On or about October 24, 2000, defendant PHILIP KONVITZ and the Council Member met at the Jumping Brook Enterprises offices. KONVITZ gave the Council Member $2,000 in cash and promised to pay the Council Member another $2,000 later to complete the $4,000 corrupt payment.

(K) On or about October 24, 2000, defendant PHILIP KONVITZ, the Former Official and the Council Member met at the Jumping Brook Enterprises offices and discussed the fact that the City Council had successfully voted in one of the Former Official's two candidates for APHA commissioner during the Council's meeting on or about Wednesday, October 18, 2000. The Former Official also indicated that the Council Member would

support a plan to keep a certain incumbent commissioner favorable to the Former Official in place and reaffirmed his thinking that KONVITZ would be involved in the plan to obtain an APHA salary for defendant JAMES CONDOS.

(L) On or about November 18, 2000, defendant PHILIP KONVITZ and the Council Member met at the Jumping Brook Enterprises Offices, at which time KONVITZ told the Council Member that he would have the remaining $2,000 payment for the Council Member in another week or so--on November 21st or 22nd--because KONVITZ wanted the payment to be in cash.

(M) On or about November 22, 2000, defendant PHILIP KONVITZ and the Council Member met at the Jumping Brook Enterprises offices at which time KONVITZ gave the Council Member the remaining $2,000 corrupt payment in cash.

(N) On or about November 24, 2000, defendants JAMES CONDOS and PHILIP KONVITZ met with the APHA Commissioner who had been appointed by the Asbury Park City Council on or about October 18, 2000, at the Jumping Brook Enterprises offices, at which time the APHA commissioner expressed concern about appointing the Former Official, stating that there would be a "field day" in the newspaper if the Former Official was appointed. In response, CONDOS advised that his plan was to make the appointment around the Christmas holiday so that nobody would read about it in the newspapers, and KONVITZ stated that anybody

who read about the APHA appointments regarding the Former Official and CONDOS would quickly forget about it. KONVITZ instructed the APHA commissioner that he wanted the Former Official to get the appointment.

(O) On or about December 7, 2000, defendant PHILIP KONVITZ and the Former Official met at the Jumping Brook Enterprises Offices, where the Former Official asked KONVITZ for $500 and advised KONVITZ that the Former Official was going to talk to an elected state official about the control that this official was exerting over one of the APHA commissioners upon whom the Former Official was relying for his contemplated appointment. KONVITZ instructed an office worker to write out a $500 check for the Former Official and caused the check to be given to the Former Official.

(P) On or about May 3, 2001, over the Council Member's home telephone in Asbury Park, New Jersey, the Former Official informed the Council Member of (i) defendant JAMES CONDOS'S continued desire to secure a salary from the APHA; (ii) the failure of the APHA commissioner appointed on or about October 18, 2000 to take steps to appoint the Former Official as APHA Executive Director, despite the commissioner's expressed commitment to defendant PHILIP KONVITZ and the Former Official to do so; (iii) JAMES CONDOS'S continuing commitment to the Former Official to appoint candidates as APHA commissioners who would

support the appointment of the Former Official as APHA Executive Director and (iv) the Former Official's continuing willingness to obtain a salary for CONDOS even if CONDOS failed to win reelection as an Asbury Park Councilman.

(Q) On or about July 12, 2001, over the Council Member's home telephone in Asbury Park, New Jersey, the Former Official informed the Council Member that defendant JAMES CONDOS still sought a salary from the APHA after the anticipated appointment of the Former Official as APHA Executive Director and that the Former Official would not be able to provide the APHA salary to CONDOS immediately upon his appointment because it would draw unwanted scrutiny.

(R) On or about August 2, 2001, the Former Official was elected as interim APHA Executive Director by the APHA's commissioners.

(S) On or about August 2, 2001, over the Council Member's home telephone in Asbury Park, New Jersey, the Former Official told the Council Member that (i) he felt an obligation to defendant JAMES CONDOS to help obtain a salary at the APHA for him; (ii) that he would write up a proposal on CONDOS'S behalf and (iii) that CONDOS had been "instrumental" in helping the Former Official become the interim APHA Executive Director.

(T) On or about August 19, 2001, defendant JAMES CONDOS and the Former Official publicly denied involvement in a part of this corrupt activity.

(U) On or about August 21, 2001, the APHA board of commissioners formally hired the Former Official as the Interim APHA Executive Director and voted to approve the proposed contract for the Former Official.

6. On or about August 23, 2001, in Monmouth County, in the District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendants

JAMES CONDOS and
PHILIP KONVITZ

and the Former Official knowingly and willfully deposited and caused to be deposited and sent and delivered by a private and commercial interstate carrier and took and received therefrom, a Federal Express package containing a contract for employment as Interim APHA Executive Director sent to the Former Official for his signature.

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

COUNT 8

Honest Services Fraud in Connection with Obtaining Liquor Permits for the Basketball Team

Defendants, Coschemers and Other Entities

1. Paragraphs 1 to 3 of Counts 1 to 4 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. At all times relevant to Count 8 of this Indictment,

(A) There was a coschemer who served as the office manager for PHILIP KONVITZ at Jumping Brook Enterprises and assisted KONVITZ with a variety of duties, including answering telephone calls and managing the bank accounts of Jumping Brook Enterprises [hereinafter, KONVITZ'S Associate].

(B) There was a professional basketball franchise [hereinafter, "the Team"] affiliated with the United States Basketball League that played its home games at Convention Hall in Asbury Park, New Jersey. The sale of alcohol at these games constituted a large part of the Team's revenue.

Corrupt Scheme

3. From in or about April, 2000 to in or about May, 2000, in Monmouth County, in the District of New Jersey, and elsewhere, defendants

JAMES CONDOS and

and coschemer KONVITZ'S Associate knowingly and willfully did devise and intend to devise a scheme and artifice to defraud the City of Asbury Park and its citizens of the right to the City Council Member's and CONDOS'S honest services in the affairs of the City of Asbury Park.

4. The object of this scheme and artifice to defraud was for defendant PHILIP KONVITZ and KONVITZ'S Associate to assist in securing liquor permits for the Team's home games played at Convention Hall through (A) the offering of corrupt payments and benefits to (i) defendant JAMES CONDOS so that he would not impede the obtaining of the permits and (ii) the Council Member so that the Council Member would vote in favor of approving the permits and (B) to conceal this material information from the public.

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

(A) On or about April 21, 2000, defendant PHILIP KONVITZ met with defendant JAMES CONDOS, KONVITZ'S Associate, the Team Owner and another individual at the Jumping Brook Enterprises offices where KONVITZ learned from the Team Owner that: (i) the Asbury Park City Council, and, in particular, the Council Member, had denied the Team permits to sell liquor at the Team's home games in Asbury Park and (ii) if the Council Member

changed votes, then the measure would pass. After the Team Owner and the other individual departed, CONDOS told KONVITZ that CONDOS wanted to limit the number of dates on which the Team and their alcohol supplier would control the alcohol concessions at Convention Hall. CONDOS further indicated that if the Team did not comply with CONDOS'S wishes, then the Team would be "screwed," but that he could not state this directly to the Team's management because CONDOS was a politician. CONDOS told KONVITZ that he would settle with the Team if they agreed to control the alcohol concessions for twelve dates, thus leaving eight dates available for which CONDOS could secure the alcohol concessions for himself. KONVITZ told KONVITZ'S Associate to telephone the Team Owner to inquire if this proposal was acceptable.

(B) On or about April 21, 2000, KONVITZ'S Associate and the Team Owner talked over a telephone at the Jumping Brook Enterprises offices, where KONVITZ'S Associate asked the Team Owner what concessions at the Team's home games were available for defendant JAMES CONDOS. The Team Owner replied that there were concession rights available for CONDOS--in particular, rights to the candy concessions--if CONDOS could help get the liquor permits approved. After consultation with defendant PHILIP KONVITZ, KONVITZ'S Associate told the Team Owner that CONDOS would take the candy concessions. Thereafter, the Team

Owner advised that he would call them later to learn the status of the Council Member's vote.

(C) On or about April 21, 2000, defendant PHILIP KONVITZ and KONVITZ'S Associate met at the Jumping Brook Enterprises offices where KONVITZ'S Associate confirmed that the Team was willing to give certain concessions to defendant JAMES CONDOS, including foregoing three dates to sell alcohol at Convention Hall, thereby enabling CONDOS to have the opportunity to sell alcohol at Convention Hall on at least eight other dates.

(D) On or about April 21, 2000, defendant PHILIP KONVITZ, KONVITZ'S Associate and the Team Owner talked over a telephone at the Jumping Brook Enterprises offices where KONVITZ'S Associate asked how many concession dates the Team Owner needed, with the Team Owner responding that he would have to give up some of the concessions to appease defendant JAMES CONDOS. Later in that conversation, KONVITZ asked the Team Owner what he wanted from the Council Member--to which the Team's Owner replied that he wanted the Council Member's vote for the liquor permits.

(E) On or about April 21, 2000, defendant PHILIP KONVITZ met with KONVITZ'S Associate and the Council Member at the Jumping Brook Enterprises offices where KONVITZ'S Associate told the Council Member that they needed to have the City Council pass a resolution to grant liquor permits to the Team.

Thereafter, KONVITZ (i) stated that defendant JAMES CONDOS could not vote on the liquor permits because he had a liquor license himself; (ii) explained to the Council Member that voting for the license would be good for the Council Member; (iii) advised that the Team Owner would give him money and that KONVITZ would, in turn, pay the Council Member a few days later for the Council Member's vote and (iv) promised that whenever the Council Member did favors for KONVITZ, the Council Member would get money in return.

(F) On or about April 21, 2000, KONVITZ'S Associate and the Team Owner talked over a telephone at the Jumping Brook Enterprises offices, with KONVITZ'S Associate informing the Team Owner that they had gotten the Council Member's vote.

(G) On or about April 26, 2000, the Asbury Park City Council, including the Council Member, voted to approve permits allowing the Team to sell liquor at 12 games to be held at Convention Hall in the spring and summer of 2000.

(H) On or about May 6, 2000, defendant PHILIP KONVITZ met with the Council Member at the Jumping Brook Enterprises offices informing the Council Member initially that he had left $300 from the Team Owner earmarked for the Council Member at home and raising the anticipated corrupt payment amount to $500 by the end of the conversation.

(I) On or about May 8, 2000, defendant PHILIP KONVITZ met the Council Member at the Jumping Brook Enterprises offices: (i) giving the Council Member $400; (ii) cautioning the Council Member that KONVITZ did not want anybody to know about this payment and (iii) confirming that he had told the Team Owner about the payment.

(J) On or about May 15, 2000, defendant PHILIP KONVITZ met with the Council Member at the Jumping Brook Enterprises offices where KONVITZ stated that the Team's Owner knew about the transaction but wanted to keep the Council Member at an arm's length and cautioned the Council Member not to say anything about the payment to anybody.

6. On or about April 27, 2000, in Monmouth County, in the District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendants

JAMES CONDOS and
PHILIP KONVITZ

and coschemer KONVITZ'S Associate 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 sent and delivered by United States Postal

Service, as follows: 12 liquor permits for professional basketball games to be played at Convention Hall in Asbury Park, New Jersey from April 28, 2000 through June 16, 2000.

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

COUNT 9

(Conspiracy to Accept Valuable Concession Rights for Official Inaction and Influence)

1. Paragraphs 1 to 2 of Counts 1 to 4 and paragraph 5 of Count 8 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. From in or about April, 2000 to in or about May, 2000, in Monmouth County, in the District of New Jersey, and elsewhere, defendants

JAMES CONDOS and
PHILIP KONVITZ

and KONVITZ'S Associate did knowingly and willfully conspire to obstruct, delay and affect interstate commerce by extortion--that is, agreeing to demand and accept, from the Team with the Team Owner's consent, valuable concession rights in exchange for agreeing to not exercise official influence to block the Team from obtaining liquor permits from the Asbury Park City Council.

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

COUNT 10

(Konvitz Offers and Gives Corrupt Payments To Asbury Park City Council Member to Influence and Reward Council Member in Connection with a Series of Transactions of Interest to Konvitz)

1. Paragraph 2 of Counts 1 to 4, paragraphs 2(B) and 5(E) to (M) of Count 7 and paragraph 5 of Count 8 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. At all times relevant to Count 10 of this Indictment, (A) the City of Asbury Park and the APHA received federal assistance in excess of $10,000 per year and (B) the City Council member was in a position to, and did, vote on the administration of federal funds for the City of Asbury Park.

3. From in or about March, 2000 to in or about January, 2001, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

PHILIP KONVITZ

did knowingly, willfully and corruptly give, offer, and agree to give things of value totaling more than $10,000.00 (detailed below) to the City Council Member intending to influence and reward the Council Member in connection with a business, transaction and series of transactions of the City of Asbury Park and the APHA involving a thing of value of $5,000.00 and more--specifically to vote in favor of KONVITZ'S interests, including an Asbury Shores development property; issues regarding Asbury

Park redevelopment; voting in favor of granting liquor permits for the Team; agreeing to vote in favor of APHA candidates supported by KONVITZ, JAMES CONDOS and the Former Official and supporting issues regarding the hiring and termination of City of Asbury Park attorneys and the Business Manager that were favorable to KONVITZ--which corrupt activity implicated a federal interest:

DATE	THING OF VALUE	LOCATION OF OFFER OR PAYMENT
March 25, 2000	giving $500	Jumping Brook Enterprises Offices
May 1, 2000	giving $250	Main Street, Asbury Park, New Jersey
May 8, 2000	giving $400	Jumping Brook Enterprises Offices
May 25 & 26, 2000	offering a discount on the purchase of an automobile--at least approximately $3,175 below retail price	Jumping Brook Enterprises Offices and defendant PHILIP KONVITZ'S KIA dealership
September 19, 2000	offering $2,500	Jumping Brook Enterprises Offices
October 4, 2000	giving $300	Cookman Avenue, Asbury Park, New Jersey
October 24, 2000	giving $2,000	Jumping Brook Enterprises Offices
November 22, 2000	giving $2,000	Jumping Brook Enterprises Offices
January 5, 2001	giving $1,500 toward the down payment on an automobile	Jumping Brook Enterprises Offices

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

COUNTS 11 to 12

(Scheme to Defraud Public of Weldon's Honest Services)

Defendants, Coschemers and Other Entities

1. Paragraph 2 of Count 1 of this Indictment is hereby incorporated and realleged as if fully set forth herein.

2. At all times relevant to Counts 11 to 12 of this Indictment:

(A) Terrance D. Weldon was the Mayor of Ocean Township, New Jersey (Monmouth County) having first been elected as an Ocean Township Councilman in or about 1989 and first been appointed as Mayor in or about 1991. Weldon also was a member of the Ocean Township Planning Board, having first become a member of that board in 1991. Weldon also was the Asbury Park City Manager from November, 2000 to the present, for which he was paid $98,899.00 annually.

(B) There was a developer who was a partner in a development corporation engaged in interstate commerce based in Neptune, New Jersey [hereinafter the "Developer"]. The corporation was responsible for the development of approximately 81.5 acres of land located between West Park Avenue and Green Grove (Hope Road) in Ocean Township. The Developer sought to develop this area as a residential housing cluster development and further sought authorization from Ocean Township to build as

many residences as possible on the land in order to maximize profitability. To build this cluster development, the Developer needed to secure from the Ocean Township Government the rezoning of this area. The residential cluster development, for which the Developer sought approval, would allow for the construction of closely-placed single-family residences around private cul-de-sacs serving multiple residences.

(C) Defendant PHILIP KONVITZ had a long-standing financial relationship with the Developer, and KONVITZ had loaned the Developer several million dollars which the Developer still owed KONVITZ as of in or about February, 2001. KONVITZ also had a long-standing relationship with Terrance D. Weldon. KONVITZ helped secure the position of Asbury Park City Manager for Weldon in or about November, 2000. KONVITZ believed that if the Developer succeeded in obtaining the necessary approvals for the residential cluster development in Ocean Township, the Developer would be in a better financial position to repay the money which he owed to KONVITZ.

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

3. At all times relevant to Counts 11 to 12 of this Indictment, the Township of Ocean and its citizens had an intangible right to the honest services of their public officials. As a public official for the Township of Ocean,

Terrance D. Weldon owed the Township and its citizens a duty to: (A) refrain from accepting and agreeing to accept bribes and other corrupt payments and benefits designed to (i) improperly affect the performance of his official duties or (ii) coax favorable official action or inaction and (B) disclose conflicts of interest pertaining to his direct and indirect personal gain and other material information in official matters over which he had authority and discretion.

Corrupt Scheme

4. From in or about June, 2000 to in or about the early summer, 2001, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

PHILIP KONVITZ

and coschemers Terrance D. Weldon and the Developer knowingly and willfully did devise and intend to devise a scheme and artifice to defraud the Township of Ocean and its citizens of the right to Terrance D. Weldon's honest services in the affairs of the Township of Ocean.

5. The object of this scheme and artifice to defraud was for defendant PHILIP KONVITZ and the Developer to pay Terrance D. Weldon sums of money to influence and reward him for his agreement to do official favors in connection with the rezoning of the Developer's land in Ocean Township and to conceal

this material information from the public by, among other things: (A) using KONVITZ as the middleman between the Developer and Weldon; (B) speaking in guarded language over the telephone about the corrupt arrangement and (C) meeting in locations outside of the public's view, like KONVITZ'S home and the Jumping Brook Enterprises offices.

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

(A) On or about June 5, 2000, at the Jumping Brook Enterprises offices, Terrance D. Weldon and defendant PHILIP KONVITZ met to discuss the progress of the Developer's cluster development in Ocean Township and the number of residential units to be built on the property. KONVITZ asked Weldon if Weldon would be able to secure approval for 90 units on the property, to which Weldon replied that he believed he realistically could secure approval for 75 units, despite his efforts to secure approval for a greater number, because the Developer had only 30 acres upon which to build and the property only was zoned for the construction of 30 units.

(B) On or about June 5, 2000, at the Jumping Brook Enterprises offices, defendant PHILIP KONVITZ placed a telephone call to the Developer to inform him that Terrance D. Weldon would be able to secure approval for 75 units. Weldon then informed the Developer that he would not be able to obtain approval for

the construction of 90 residential units as part of the cluster development due to concerns of other members of the governing boards--a reference to the Ocean Township Council and the Ocean Township Planning Board--but that Weldon would attempt to secure as many units as possible for the development.

(C) On or about June 5, 2000, at the Jumping Brook Enterprises offices, Terrance D. Weldon informed defendant PHILIP KONVITZ upon the conclusion of his conversation with the Developer that Weldon feared that the Developer might walk away from Weldon after Weldon secured the necessary approvals for the Developer's cluster development because Weldon did not have a lot of trust in the Developer. KONVITZ then inquired of Weldon whether Weldon would be taken care of, if Weldon secured approval for 80 units for the Developer, prompting Weldon to respond "yeah," and to instruct KONVITZ not to talk on the telephone--the latter instruction was calculated to conceal the conduct of KONVITZ, Weldon and the Developer.

(D) On or about December 19, 2000, at the Jumping Brook Enterprises offices, defendant PHILIP KONVITZ offered Terrance D. Weldon at least $5,000 as an incentive payment to influence and reward Weldon in connection with Weldon's ongoing efforts on behalf of the Developer in Ocean Township, New Jersey. Weldon replied that he would not accept the money at that time,

preferring to accept money after he had concluded securing approval of the rezoning.

(E) On or about December 27, 2000, at the Ocean Township Council meeting, in Ocean Township, New Jersey, Terrance D. Weldon voted in favor of approving Ordinance #1878, a local ordinance (i) amending the Official Zoning Map of Ocean Township to create a Single Family Court Cluster Overlay Option for the land owned by the Developer and (ii) providing that the number of dwelling units on that land should not exceed seventy-five.

(F) On or about December 27, 2000, over defendant PHILIP KONVITZ'S home telephone in Elberon, New Jersey, in guarded language calculated as part of the ongoing effort to conceal the conduct, Terrance D. Weldon informed KONVITZ that he took the next step in their project in Ocean Township. Weldon stated that the project would be finished on January 10, 2001 and that the vote would be unanimous.

(G) On or about December 27, 2000, over defendant PHILIP KONVITZ'S home telephone, in Elberon, New Jersey, KONVITZ reported to the Developer, in guarded language, that he had spoken to Terrance D. Weldon, that the matter went very well and that everybody was supporting the matter. The Developer replied, "excellent," and suggested that KONVITZ and himself meet the following day.

(H) On or about January 7, 2001, over defendant PHILIP KONVITZ'S home telephone, in Elberon, New Jersey, KONVITZ informed the Developer in guarded language, that his friend--meaning Terrance D. Weldon--had called. KONVITZ then asked the Developer if the Developer could help Weldon before the Developer went away. The Developer replied that he would and asked KONVITZ to remind him to do so. KONVITZ further requested the Developer to take care of Weldon after January 10, 2001. KONVITZ further advised the Developer that Weldon had told him that the project was all done.

(I) On or about February 14, 2001, over defendant PHILIP KONVITZ'S home telephone, in Elberon, New Jersey, Terrance D. Weldon informed KONVITZ in guarded language that a meeting was scheduled that night on the application in Ocean Township over by KONVITZ'S son's house--meaning the application to rezone the Developer's parcel of land to allow for the construction of the 75-unit cluster development. Weldon indicated to KONVITZ that he would get this application approved and that the initiative would be "just about done" that night.

(J) On or about February 14, 2001, over defendant PHILIP KONVITZ'S home telephone, in Elberon, New Jersey, KONVITZ informed the Developer that he had just called Terrance D. Weldon and was informed that there was a meeting that night--a reference to an Ocean Township Council meeting. KONVITZ informed the

Developer that Terrance D. Weldon had agreed to call KONVITZ, but that Weldon had assured him that the matter was going to be okay.

(K) On or about February 14, 2001, at the Ocean Township Council meeting in Ocean Township, New Jersey, Terrance D. Weldon voted in favor of approving a revised ordinance (i) amending the Official Zoning Map to create a Single Family Court Cluster Overlay Option for the land owned by the Developer and (ii) providing that the number of dwelling units on that land should not exceed seventy-five.

(L) On or about February 14, 2001, over defendant PHILIP KONVITZ'S home telephone, in Elberon, New Jersey, KONVITZ asked Terrance D. Weldon "is it finished now?" Weldon informed KONVITZ that it would be official in 15 days--a reference to the expected final passage of the application for a zoning change on the Developer's property after a public hearing was held by the Ocean Township Council on February 28, 2001.

(M) On or about February 22, 2001, defendant PHILIP KONVITZ and Terrance D. Weldon and KONVITZ met at the Jumping Brook Enterprises offices, where Weldon informed KONVITZ that the ordinance favoring the Developer's project would finally be approved on Wednesday, February 28, 2001.

(N) On or about February 27, 2001, over defendant PHILIP KONVITZ'S home telephone, in Elberon, New Jersey, KONVITZ

reminded the Developer that the Developer had given KONVITZ $50,000 to give to Terrance D. Weldon.

(O) On or about February 28, 2001, at the Ocean Township Council meeting, in Ocean Township, New Jersey, upon conclusion of the public hearing related thereto, Terrance D. Weldon voted in favor of adopting the revised ordinance and advertising the final passage of the ordinance in the local newspaper.

(P) On or about March 1, 2001, over defendant PHILIP KONVITZ'S home telephone number, in Elberon, New Jersey, KONVITZ informed the Developer that everything was 100% okay--meaning that Terrance D. Weldon had secured final approval of the ordinance granting the rezoning of the Developer's property to allow for the 75-unit residential cluster development.

(Q) On or about March 18, 2001, over defendant PHILIP KONVITZ'S home telephone, in Elberon, New Jersey, KONVITZ informed Terrance D. Weldon that the Developer was waiting to hear from Weldon, and Weldon assured KONVITZ that the project was complete, meaning that the rezoning of the Developer's land had been finalized by the Ocean Township Council. KONVITZ responded by stating "I'll go to work then," a reference to his efforts to ensure that Weldon received the agreed-upon payment from the Developer.

(R) Between in or about the late spring and in or about early summer, 2001, Terrance D. Weldon accepted approximately $50,000 in cash from the Developer which Weldon concealed in a suit jacket pocket inside the attic space on the second floor of his residence in Oakhurst, New Jersey until on or about January 23, 2002.

7. On or about the dates listed below, in Monmouth County, in the District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendant

PHILIP KONVITZ

and coschemers Terrance D. Weldon and the Developer, knowingly and willfully placed and caused to be placed in a post office and authorized depository for mail, and caused to be sent and delivered thereon, certain mail matter, to be delivered by United States Postal Service, as described below:

Count	Date	Mailing
11	June 30, 2000	Attorney for the Developer mails conceptual site plan diagram to Ocean Township Clerk in support of application for rezoning
12	March 6, 2001	Ocean Township mails certified copy of Ordinance rezoning land owned by the Developer to Monmouth County Planning Board

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

COUNT 13

(Aiding in the Acceptance and Agreement to Accept Cash Payments in Exchange for Official Action by Weldon)

1. Paragraphs 1 to 2 and 6 of Counts 11 to 12 of this Indictment are hereby incorporated and realleged as if fully set forth herein.

2. From in or about June, 2000 to in or about the early summer, 2001, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

PHILIP KONVITZ

did knowingly and willfully obstruct, delay and affect interstate commerce by extortion--that is, by aiding in the acceptance and agreement to accept by Terrance D. Weldon from the Developer with his consent approximately $50,000 in exchange for Weldon's agreement to exercise official action and influence pertaining to rezoning and ancillary matters in the Developer's favor as specific opportunities arose.

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

A TRUE BILL

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CHRISTOPHER J. CHRISTIE
UNITED STATES ATTORNEY