

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

March 11 2004

U.S. District Court  
District of New Jersey  
Trenton, NJ

UNITED STATES OF AMERICA :

Hon.

(GEB)

v. **RECEIVED**

Criminal No. 04-162

(GEB)

HARRY G. PARKIN

MAR 11 2004

18 U.S.C. §§ 1341, 1346, 1951(a) and 2.

AT 8:30 M  
WILLIAM T. WALSH  
CLERK INDICTMENT

The Grand Jury, in and for the District of New Jersey, sitting in Trenton,

charges:

COUNTS 1 to 12

(Scheme to Defraud the Public of Honest Services, Money and Property)

Defendant, Individuals and Entities

Defendant HARRY G. PARKIN

1. From in or about 1995 to on or about December 31, 2003, defendant HARRY G. PARKIN, an attorney and former Mercer County assistant prosecutor, served as the Chief of Staff to the Mercer County Executive (hereinafter "Chief of Staff"). Defendant HARRY G. PARKIN'S responsibilities as Chief of Staff included consulting and advising the County Executive relating to the performance of the County Executive's duties, which included controlling disbursements and expenditures, signing and

negotiating contracts and overseeing improvements and programs for Mercer County. As Chief of Staff, defendant HARRY G. PARKIN also was responsible for executing special projects assigned by the County Executive and monitoring the autonomous agencies in Mercer County, including the Mercer County Improvement Authority (hereinafter the "MCIA"). Defendant HARRY G. PARKIN'S responsibilities as Chief of Staff also included recommending to the County Executive individuals to be appointed to the governing boards of the autonomous agencies, including the MCIA.

2. From at least January 1, 2000 to on or about December 11, 2003, defendant HARRY G. PARKIN also served on the Delaware River Joint Toll Bridge Commission (hereinafter, the "Bridge Commission").

The Mercer County Improvement Authority

3. The MCIA was an autonomous agency and financing authority which, among other things, entered into contracts for the performance of projects and services for the citizens of Mercer County, New Jersey. The MCIA administered Mercer County's solid waste management plan, which included ensuring that Mercer County's solid waste was removed in compliance with applicable regulations and awarding county-wide waste removal and recycling contracts. The MCIA also participated in redevelopment activities in the county, particularly in the City of Trenton.

4. Since at least 1990, the MCIA was governed by a board (hereinafter the "MCIA Board") of seven individuals, each of whom was appointed by the County Executive, and

confirmed by the Mercer County freeholders for a term of three years. The Executive Director of the MCIA was appointed by, and served at the pleasure of, the MCIA Board. The County Executive was a non-voting member of the MCIA Board who had the power to veto action taken by the MCIA Board, including the MCIA Board's award of a contract or appointment of an Executive Director.

5. From in or about 1995 to on or about December 31, 2003, defendant HARRY G. PARKIN, as Chief of Staff, acted on behalf of the County Executive as his liaison to the MCIA by attending the MCIA Board meetings and receiving MCIA information and correspondence on behalf of the County Executive.

6. From in or about February, 1996 to on or about July 1, 2000, the MCIA employed the same Executive Director (hereinafter the "Former Executive Director"). His responsibilities included the negotiation and award of demolition, waste management, recycling, environmental clean-up, construction and other contracts within Mercer County.

The Recycling Company and Contractors 1 through 4

7. From in or about 1996 to in or about April, 2003, Contractor No. 1 was the owner and operator of a company that primarily collected recyclable material from residential properties (hereinafter, the "Recycling Company"). The Recycling Company was incorporated in or about November 1996, and, until in or about 1999, was operated by Contractor No. 1 and Contractor No. 2. In or about 1999, Contractor No. 1 purchased

Contractor No. 2's interest in the Recycling Company. At various times from in or about January, 2000 to in or about Spring, 2003, Contractor No. 1 also performed demolition contracts through corporations that he owned and operated.

8. In or about December, 1999, the MCIA awarded the county-wide recycling contract to the Recycling Company (hereinafter, the "Recycling Contract"). The Recycling Contract was a three-year contract, pursuant to which the Recycling Company was paid approximately \$2.5 million per year. The Recycling Contract provided that following the three-year term of the contract, the MCIA, in its sole discretion, could exercise options to renew the Recycling Contract annually for up to two additional one-year terms.

9. On or about July 1, 2000, approximately six months after the MCIA awarded the Recycling Contract to the Recycling Company, the Former Executive Director resigned from the MCIA and joined the Recycling Company as its President. He was employed there until in or about December, 2003. His responsibilities at the Recycling Company included negotiating contracts and soliciting contract work for the Recycling Company in Mercer County and elsewhere.

10. On or about March 1, 2001, pursuant to a Management and Loan Agreement (hereinafter, the "Management Agreement"), Contractor No. 3 and his son, Contractor No. 4, doing business through a management company (hereinafter, the "Management Company"), loaned the Recycling Company \$400,000 in exchange for options to

purchase 51% of the stock of the Recycling Company. According to the terms of the Management Agreement, the Management Company was to manage the Recycling Company in exchange for a monthly fee.

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

11. At all times relevant to this Indictment, Mercer County and its citizens had an intangible right to the honest services of their public officials. As a public official of Mercer County, defendant HARRY G. PARKIN owed Mercer County and its citizens and the MCIA a duty to, among other things, (A) refrain from corruptly demanding, soliciting, obtaining or receiving payments, property or benefits designed to (i) improperly affect the performance of his official duties or (ii) cause favorable official action or inaction; and (B) disclose personal financial interests in official matters over which defendant HARRY G. PARKIN, as Chief of Staff, exercised influence, authority and discretion in favor of those interests, and to not affirmatively conceal such material information.

Scheme and Artifice to Defraud Public of Honest Services, Money and Property

12. From in or about September, 2000 to in or about March, 2003, in Mercer County, in the District of New Jersey, and elsewhere, defendant

HARRY G. PARKIN

and others knowingly and willfully did devise and intend to devise a scheme and artifice to defraud Mercer County and its citizens and the MCIA of the right to defendant HARRY G. PARKIN'S honest services in the affairs of the Mercer County Government and the MCIA and of money and property by means of materially false and fraudulent pretenses, representations and promises.

13. The object of the scheme and artifice to defraud was for defendant HARRY G. PARKIN to corruptly use his official position to (i) obtain contracts for companies owned and operated by Contractor No. 1 in order to protect and advance defendant HARRY G. PARKIN'S own personal financial interests; (ii) obtain an ownership interest, or an option to obtain an ownership interest, in the Recycling Company; and (iii) take affirmative steps to conceal material information that is, defendant HARRY G. PARKIN'S financial interests in the Recycling Company, from other Mercer County Government officials and employees, MCIA employees and the public.

Defendant HARRY G. PARKIN'S Expressed Desire to Obtain an Ownership Interest in the Recycling Company

14. It was part of the scheme and artifice to defraud that:

(A) From in or about September, 2000 to in or about March, 2003,

defendant HARRY G. PARKIN discussed with Contractor No. 1 and the Former Executive Director defendant HARRY G. PARKIN'S desire to obtain a financial stake in the Recycling Company, notwithstanding the Recycling Company's and Contractor No. 1's contracts with the MCIA. Defendant HARRY G. PARKIN pursued this financial stake in two ways: by making a \$150,000 loan for the benefit of the Recycling Company and by attempting to obtain a secret ownership interest in the Recycling Company.

(B) In or about September, 2000, defendant HARRY G. PARKIN spoke with Contractor No. 1 and the Former Executive Director about defendant HARRY G. PARKIN and the Former Executive Director each purchasing a one-third ownership interest in the Recycling Company. In order to conceal this ownership interest in the company, defendant HARRY G. PARKIN planned to have two-thirds of the stock placed in the Former Executive Director's name with defendant HARRY G. PARKIN nonetheless maintaining a one-third beneficial ownership interest in the company and being, in effect, a secret partner.

(C) Pursuant to the aforementioned arrangement, an "Option to Purchase Stock" agreement dated September 24, 2000 was drafted by defendant HARRY G. PARKIN, which provided that the Former Executive Director would have an option to purchase two-thirds of the stock of the Recycling Company in exchange for a total payment of \$1,000,000. The agreement was not entered at that time, however, because Contractor No. 1 was unwilling to give up a 51% interest in the Recycling Company.

(D) By in or about February, 2001, however, the Recycling Company was experiencing serious cash flow problems. Consequently, on or about March 1, 2001, Contractors Nos. 3 and 4, through the Management Company, loaned the Recycling Company \$400,000 in exchange for options to purchase 51% of the stock of the Recycling Company pursuant to the terms of the Management Agreement.

(E) In or about Spring, 2001, following the execution of the Management Agreement, defendant HARRY G. PARKIN began discussing with Contractor No. 1 and the Former Executive Director his desire, notwithstanding the Management Agreement, to obtain an ownership interest in the Recycling Company by terminating the Management Agreement and buying out Contractor Nos. 3 and 4's interest in the Recycling Company.

(F) On or about June 28, 2001, in a covertly tape-recorded conversation, defendant HARRY G. PARKIN confirmed that the ownership interest defendant HARRY G. PARKIN planned to acquire in the Recycling Company would be concealed by defendant HARRY G. PARKIN giving his money to the Former Executive Director, who would purchase and hold defendant HARRY G. PARKIN'S secret interest in the Former Executive Director's name.

(G) Over the next two years, as alleged in paragraphs 18 and 19 below, defendant HARRY G. PARKIN took numerous additional steps to engineer the buy-out of the Contractor Nos. 3 and 4's interest in the Recycling Company and to obtain a

concealed ownership interest in the company.

Defendant HARRY G. PARKIN'S Initial Financial Interest in the Recycling Company: A Concealed \$150,000 Loan

15. It was a further part of the scheme and artifice to defraud that:

(A) In or about October, 2000, defendant HARRY G. PARKIN made a \$150,000 loan, with a 15% interest rate, to a company owned by a relative of Contractor No. 1 for the benefit of the Recycling Company (the "\$150,000 Loan"). Defendant HARRY G. PARKIN made the loan to Contractor No. 1's relative's company instead of to the Recycling Company -- the intended beneficiary of the loan -- in order to conceal both his interest as a creditor of the Recycling Company and his receipt of loan repayments funded by the Recycling Company.

(B) To this end, on or about October 21, 2000, defendant HARRY G. PARKIN met with the Former Executive Director, Contractor No. 1 and a relative of Contractor No. 1 at the Former Executive Director's home. At that meeting, defendant HARRY G. PARKIN executed a promissory note, which provided that defendant HARRY G. PARKIN would loan \$150,000 at 15% interest (the "Promissory Note") to a company owned by the relative of Contractor No. 1 (the "Nominee Borrower"). At this meeting, defendant HARRY G. PARKIN explained that he did not want to lend money directly to the Recycling Company because of his County position.

(C) Despite the fact that the \$150,000 loan purported to be to the Nominee Borrower, on or about October 21, 2000, at the request of defendant HARRY G.

PARKIN, Contractor No. 1 and the Former Executive Director executed a promissory note guarantee pursuant to which they each agreed to guarantee the repayment of the loan principal and interest to defendant HARRY G. PARKIN according to the terms of the Promissory Note.

(D) When the Promissory Note was executed, defendant HARRY G. PARKIN provided to the relative of Contractor No. 1 an amortized schedule of payments that required that monthly payments of approximately \$1,975 be made to defendant HARRY G. PARKIN. According to the amortization schedule, virtually the entire amount of the payments to be made prior to the lump sum repayment of the loan's principal was to be interest.

(E) On or about October 21, 2000, pursuant to the terms of the Promissory Note, defendant HARRY G. PARKIN issued two \$75,000 checks payable to the Nominee Borrower.

(F) On or about October 24, 2000, a representative of the Nominee Borrower issued two \$75,000 checks from the Nominee Borrower's bank account payable to Contractor No. 1 and the Recycling Company, respectively.

(G) On or about November 16, 2000 and December 8, 2000, defendant HARRY G. PARKIN accepted two checks dated November 1, 2000 and November 30, 2000, and in the amounts of \$678.04 and \$1,975.18, respectively, drawn on the Nominee Borrower's account, which amounts corresponded approximately to the amounts of

interest and principal due according to the Promissory Note and amortization schedule.

On or about November 16, 2000 and December 8, 2000, defendant HARRY G. PARKIN caused these two checks to be deposited into bank accounts that he controlled in the name of Harry G. Parkin and Parkin Land Co., respectively.

(H) On or about November 3, 2000 and December 1, 2000, the Recycling Company issued two checks payable to the Nominee Borrower in the amounts of \$678.04 and \$1,975.18, respectively, in order to fund the two payments that defendant HARRY G. PARKIN accepted from the Nominee Borrower on November 16, 2000 and December 8, 2000, respectively.

(I) From in or about February, 2001 to in or about August, 2003, defendant HARRY G. PARKIN accepted checks from the Recycling Company representing monthly loan payments of interest and principal. In order to conceal that the loan payments to defendant HARRY G. PARKIN were for a loan made for the benefit of the Recycling Company, rather than the Nominee Borrower, most of the checks from the Recycling Company were made payable to cash, while the remaining checks were made payable to a company controlled by defendant HARRY G. PARKIN.

(J) From in or about February, 2001 to in or about August, 2003, defendant HARRY G. PARKIN accepted these loan payment checks from the Recycling Company and caused them to be deposited into bank accounts under his control.

Concealment of Defendant HARRY G. PARKIN'S \$150,000 Loan  
for the Benefit of the Recycling Company

16. It was a further part of the scheme and artifice to defraud that, in addition to the acts of concealment discussed above, defendant HARRY G. PARKIN took the following additional steps to conceal the \$150,000 Loan for the benefit of the Recycling Company, and the payments of interest and principal that defendant HARRY G. PARKIN accepted from the Recycling Company pursuant to the \$150,000 Loan:

(A) On or about June 28, 2001, at a meeting with Contractor No. 1 in a Trenton restaurant (which was tape-recorded) defendant HARRY G. PARKIN expressed his concern that there was a paper trail connecting defendant HARRY G. PARKIN with the \$150,000 Loan payments. Defendant HARRY G. PARKIN also mentioned his concern about filing mandatory financial disclosure forms with the Department of Community Affairs and the Bridge Commission which required defendant HARRY G. PARKIN to identify companies that owed him money.

(B) In or about July, 2001, defendant HARRY G. PARKIN completed false and fraudulent financial disclosure forms covering the 2000 calendar year for both the New Jersey State Department of Community Affairs and the New Jersey Executive Commission on Ethical Standards (for the Bridge Commission) in which he intentionally failed to disclose the source of the approximately \$2,553 in interest income that he had received from the \$150,000 Loan during the 2000 calendar year.

(C) On or about July 13, 2001, defendant HARRY G. PARKIN caused the

materially false Bridge Commission financial disclosure form to be mailed to the New Jersey Executive Commission on Ethical Standards for the Bridge Commission.

(D) On or about September 20, 2001, defendant HARRY G. PARKIN caused the materially false Community Affairs financial disclosure form to be mailed to the New Jersey State Department of Community Affairs.

(E) In a tape-recorded conversation on or about August 2, 2001, defendant HARRY G. PARKIN confirmed with Contractor No. 1 that defendant HARRY G. PARKIN had used the Nominee Borrower to make the \$150,000 Loan for the benefit of the Recycling Company so that if anybody asked about the \$150,000 loan, Contractor No. 1 and defendant HARRY G. PARKIN falsely could say that the loan had been made solely to benefit the Nominee Borrower.

(F) For the calendar year 2001, defendant HARRY G. PARKIN failed to disclose to the New Jersey State Department of Community Affairs and the New Jersey Executive Commission on Ethical Standards (for the Bridge Commission) his receipt that year of approximately \$20,500 in interest income from the \$150,000 Loan by failing to file the mandatory financial disclosure forms covering that year, both of which required that such a disclosure be made.

Defendant HARRY G. PARKIN'S Corrupt Use of his Official Position to Steer an MCIA Demolition Contract to Contractor No. 1

17. It was a further part of the scheme and artifice to defraud that defendant HARRY G. PARKIN, in order to (i) protect his undisclosed financial interest in the Recycling Company, (ii) support the company's and Contractor No. 1's financial ability to make the loan payments of interest and principal to defendant HARRY G. PARKIN pursuant to the \$150,000 Loan, and (iii) maximize the funds that would be available to facilitate the buy-out of Contractor No. 3's interest in the Recycling Company, used his official position to steer an MCIA demolition contract to a company owned and operated by Contractor No. 1 as follows:

(A) During the first half of 2001, the MCIA decided to demolish certain vacant residential buildings in Trenton, New Jersey which were located in a designated redevelopment zone. The MCIA decided that it would contract with an outside vendor to perform the demolition work.

(B) In or about early August, 2001, defendant HARRY G. PARKIN summoned the Executive Director of the MCIA (the "Executive Director"), who took over after the Former Executive Director had left the MCIA, to defendant HARRY G. PARKIN'S County Office (hereinafter, "Parkin's Office"). At that meeting, defendant HARRY G. PARKIN told the Executive Director that he wanted the Executive Director to use a negotiated bid process in awarding the demolition contract. Defendant HARRY G. PARKIN made it clear to the Executive Director that defendant HARRY G. PARKIN

wanted the MCIA to award the demolition contract to Contractor No. 1's demolition company, and that, therefore, the Executive Director should give Contractor No. 1's company every opportunity to win the bidding process. Defendant HARRY G. PARKIN also indicated that he wanted to be kept abreast of the progress in the negotiated bidding process. In a negotiated bidding process, the MCIA would send job specifications to prospective vendors, who would then submit their prices, or "bids," for the job. Following the receipt of the vendors' bids, the MCIA could contact the vendors for the purpose of negotiating a decrease in the amount of the vendor's price.

(C) Following his meeting with defendant HARRY G. PARKIN, the Executive Director instructed an MCIA employee (the "MCIA Employee") to contact Contractor No. 1's demolition company ("Contractor No. 1's company") and two other vendors ("Bidder 1" and "Bidder 2") to request bids for the demolition contract.

(D) After receiving initial bids in August, 2001, Bidder 1 was the low bidder, followed by Contractor No. 1 and Bidder 2, respectively. Defendant HARRY G. PARKIN was informed that Contractor No. 1's company had not been the low bidder.

(E) In late August, 2001, as a result of the three vendors having submitted nonuniform bids based on different assumptions about the amount of disposal for the project, the MCIA sent letters to the three vendors inviting them to submit amended bids with more detailed pricing, excluding a separate cost for the disposal of asbestos and waste. Thereafter, in late August, 2001, the MCIA received the second round of bids

from the three vendors. Once again, Contractor No. 1's company was not the low bidder, coming in tens of thousands of dollars higher than Bidder 1.

(F) When the Executive Director informed defendant HARRY G. PARKIN that Bidder 1 was again the low bidder, underbidding Contractor No. 1's company by a substantial amount, defendant HARRY G. PARKIN instructed the Executive Director to give Contractor No. 1's company another opportunity to submit the low bid.

(G) At or around this time, the Former Executive Director went to see the Executive Director at the MCIA. The Former Executive Director indicated that he earned money by procuring work for Contractor No. 1's company and that he wanted Contractor No. 1's company to get the job. The Former Executive Director and the Executive Director determined that the MCIA could remove the cost of asbestos abatement from the job specifications in order to justify giving Contractor No. 1's company another opportunity to submit a lower bid. Thereafter, the Executive Director instructed the MCIA Employee to request from Contractor No. 1's company and Bidder 1 (the two lowest bidders) revised bids that excluded the cost of asbestos abatement.

(H) In or about early September, 2001, the MCIA received the third round bids for the demolition project. Once again, Contractor No. 1's company's bid was tens of thousands of dollars higher than Bidder 1's bid.

(I) When the Executive Director informed defendant HARRY G. PARKIN that Contractor No. 1's company's bid was approximately \$30,000 higher than Bidder 1's

bid, defendant HARRY G. PARKIN asked the Executive Director to give Contractor No. 1's company another opportunity to submit the low bid. Defendant HARRY G. PARKIN also told the Former Executive Director how much higher Contractor No. 1's company's bid was than Bidder 1's bid.

(J) Following the fourth round of bidding, Contractor No.1's company was once again higher than Bidder 1, this time by approximately \$4,000. Defendant HARRY G. PARKIN was informed as to the result of the fourth round bids. Following a discussion between the Former Executive Director and the Executive Director, in which the Executive Director informed the Former Executive Director of the amount of Bidder 1's fourth round bid, it was determined that Contractor No. 1's company could replace its fourth round bid with another, lower, bid that would address differently the foundation demolition for the project. Soon after that conversation, Contractor No. 1's company submitted it's amended fourth bid -- or fifth price -- for the demolition project. In its amended fourth bid, Contractor No. 1's company priced the demolition work at approximately \$1,200 less than Bidder 1's fourth round bid. Following the receipt of the amended fourth bid from Contractor No. 1's company, the Executive Director informed defendant HARRY G. PARKIN that Contractor No. 1's company would be awarded the contract.

(K) On or about December 18, 2001, the MCIA Board approved the award of a \$33,300 demolition contract to Contractor No. 1's company. On or about December

20, 2001, the MCIA mailed to Contractor No. 1 the fully executed demolition contract. On or about January 23, 2002, Contractor No. 1's company received a check in the amount of \$33,300 from the MCIA for the demolition project.

Defendant HARRY G. PARKIN'S Use of his Official Position to Attempt to Obtain an Ownership Interest in the Recycling Company

18. It was a further part of the scheme and artifice to defraud that defendant HARRY G. PARKIN planned to obtain an ownership interest in the Recycling Company for himself and the Former Executive Director. Defendant HARRY G. PARKIN'S plan to gain an ownership interest included two overarching features. First, defendant HARRY G. PARKIN and the Former Executive Director offered to have defendant HARRY G. PARKIN use his official position to assist one of Contractor No. 1's companies in obtaining a demolition contract at the Mercer County Airport in exchange for Contractor No. 1's agreement to use the proceeds from that contract to buy out Contractor Nos. 3 and 4's interest in the Recycling Company and allow defendant HARRY G. PARKIN and the Former Executive Director to acquire ownership interests in the Recycling Company. Second, to cause Contractors Nos. 3 and 4 to divest their interest in the Recycling Company, defendant HARRY G. PARKIN took steps to cause Contractor No. 3 to believe that there was an investigation, and to prompt the New Jersey State Police to inquire, into the propriety of the Recycling Company's waste removal license application, which did not list Contractor No. 3 as a key employee. Defendant

HARRY G. PARKIN believed that after the Management Agreement was executed on March 1, 2001, Contractor No. 3 exercised functional control of the Recycling Company. According to defendant HARRY G. PARKIN'S statements during recorded conversations, if Contractor No. 3 had problems with the waste business in New York City because of alleged criminal contacts, and if the State Police, or the DEP, determined that Contractor No. 3 was in fact a key employee of the Recycling Company, rather than Contractor No. 4, who was listed on the Recycling Company's waste licensing application, the waste removal license would be revoked. Defendant HARRY G. PARKIN wanted the threat of license revocation to prompt Contractor No. 3 to rescind his interest in the Recycling Company. In addition, defendant HARRY G. PARKIN threatened that the MCIA would not renew the Mercer County Recycling Contract, which was due to expire on December 31, 2002, unless Contractor Nos. 3 and 4 were removed from the Recycling Company. To obtain a secret ownership interest in the Recycling Company, defendant HARRY G. PARKIN and others took the following steps:

(A) From in or about March, 2001 to in or about April, 2003, defendant HARRY G. PARKIN engaged in conversations with Contractor No. 1 and/or the Former Executive Director (that were tape-recorded) relating to a strategy, or the terms, by which Contractor Nos. 3 and 4 could be bought out of the Recycling Company so that defendant HARRY G. PARKIN and the Former Executive Director could acquire ownership interests in the company.

(B) On or about October 9, 2001, during a recorded conversation, defendant HARRY G. PARKIN stated to the Former Executive Director and Contractor No. 1 that he was not happy about the fact that he had loaned \$150,000 to the Recycling Company and yet Contractor No. 3 was in control of the company. Defendant HARRY G. PARKIN stated that he wanted Contractor No. 1 to gain more control over the Recycling Company and to get Contractor No. 3 out of the company.

(C) On numerous occasions between in or about July, 2002 and February, 2003, defendant HARRY G. PARKIN provided to Contractor No. 1 drafts of a document entitled "Recision of Management and Loan Agreement," which set forth terms for rescinding the March 1, 2001 Management Agreement with Contractor Nos. 3 and 4 and accomplishing the buy-out, which would permit defendant HARRY G. PARKIN and the Former Executive Director to acquire ownership interests in the Recycling Company.

(D) From in or about Spring, 2001 to in or about Spring, 2002, defendant HARRY G. PARKIN, acting in his official capacity as Chief of Staff, was overseeing a potential redevelopment project at the Mercer County Airport located in Ewing, New Jersey. Mercer County was negotiating with an aviation company (hereinafter, the "Aviation Company") about the possibility of the Aviation Company leasing from Mercer County a facility at the airport to provide an airline storage and maintenance service. It was anticipated that a portion of the airport would be renovated by Mercer County or by the Aviation Company, as leaseholder, to accommodate this business and that the

demolition work required in connection with the planned renovation would be valued at approximately \$ 1 million.

(E) From in or about Fall, 2001 to in or about Spring, 2002, defendant HARRY G. PARKIN had several discussions with an active member of the Mercer County Republican Party, who was a principal at an engineering firm (hereinafter, the "Engineer") about a contract that the Engineer was pursuing with the Aviation Company under which his engineering firm would be responsible for performing the environmental clean-up for the project and would be in a position to award the subcontract for the demolition work.

(F) In or about early December, 2001, defendant HARRY G. PARKIN instructed the Former Executive Director to meet with Contractor No. 1 alone to ascertain if Contractor No. 1 would agree to give defendant HARRY G. PARKIN and the Former Executive Director a one-third interest each in the Recycling Company if Contractor No. 1 got the Airport demolition contract. Defendant HARRY G. PARKIN also directed the Former Executive Director to tell Contractor No. 1 that if Contractor No. 1 did not agree to the partnership, Contractor No. 1 would not get the airport demolition contract.

(G) On or about December 18, 2001, pursuant to defendant HARRY G. PARKIN'S instructions, the Former Executive Director met with Contractor No. 1 at a Trenton restaurant. At that meeting (which was tape-recorded), the Former Executive Director told Contractor No. 1 that defendant HARRY G. PARKIN wanted Contractor

No. 1, defendant HARRY G. PARKIN and the Former Executive Director to be three equal partners in the Recycling Company. The Former Executive Director further explained that they would attempt to buy out Contractor No. 3 when Contractor No. 3 was confronted with the threat of a waste license problem. The Former Executive Director stated that defendant HARRY G. PARKIN and the Engineer would secure the airport demolition contract for Contractor No. 1. Following defendant HARRY G. PARKIN'S previous instructions, the Former Executive Director made it clear to Contractor No. 1 that defendant HARRY G. PARKIN'S securing the airport demolition contract for Contractor No. 1 was contingent on Contractor No. 1's agreement to bring defendant HARRY G. PARKIN and the Former Executive Director in as partners.

(H) From in or about Fall, 2001 to Spring, 2002, defendant HARRY G. PARKIN discussed with the Engineer the method by which his engineering firm would award the demolition work, if permitted to do so by the Aviation Company. The Engineer agreed with defendant HARRY G. PARKIN that he would conduct the process of awarding the work in a way that would enable Contractor No. 1's company to win the demolition contract.

(I) On or about July 2, 2002, during a recorded meeting in Parkin's Office, defendant HARRY G. PARKIN told the Former Executive Director that the Aviation Company was not going to pursue the lease with Mercer County and that the airport manager was going to make an application for federal funds to enable Mercer County to

pay for demolition at the airport. The Former Executive Director stated that he anticipated that Contractor No. 1 was going to mention to the Former Executive Director and defendant HARRY G. PARKIN that Contractor No. 1's agreement to permit defendant HARRY G. PARKIN and the Former Executive Director to acquire an ownership interest in the Recycling Company had been tied to Contractor No. 1's receipt of the airport demolition contract. Defendant HARRY G. PARKIN acknowledged the arrangement and stated that he and the Former Executive Director should not be worried about losing the Airport project because Contractor No. 1 was not close yet to doing anything with the Recycling Company. Defendant HARRY G. PARKIN further advised that he would tell Contractor No. 1 that the demolition project may go forward at a later date with funding by the MCIA.

Defendant HARRY G. PARKIN'S Use of his Official Position to Attempt to Pressure Contractor No. 3 to Rescind the Option to Purchase 51% of the Recycling Company

19. It was a further part of the scheme and artifice to defraud that defendant HARRY G. PARKIN exerted pressure on Contractor No. 3 to rescind Contractor Nos. 3 and 4's interest in the Recycling Company by (i) leading Contractor No. 3 to believe that law enforcement authorities were investigating the propriety of the Recycling Company's waste removal license in light of Contractor No. 3's role in the company and (ii) *threatening non-renewal of the Recycling Company's Mercer County Recycling Contract* if Contractor No. 3 maintained his interest in the Recycling Company. In this regard,

defendant HARRY G. PARKIN and others engaged in the following acts:

(A) Defendant HARRY G. PARKIN directed a manager at the MCIA (hereinafter, the "MCIA Manager") to contact law enforcement in New York City to determine if Contractor No. 3 had had problems in the waste industry in New York and to attempt to confirm that Contractor No. 3 would be considered a key employee of the Recycling Company. Defendant HARRY G. PARKIN also instructed the MCIA Manager to contact the New Jersey State Police to suggest that they scrutinize the Recycling Company's waste removal license.

(B) On or about July 2, 2002, defendant HARRY G. PARKIN met with Contractor No. 1 at a Trenton restaurant. During this recorded meeting, defendant HARRY G. PARKIN spoke to Contractor No. 1 about buying Contractor No. 3 out of the Recycling Company and suggested ways in which Contractor No. 3 could be notified of an investigation into his role in the Recycling Company in order to pressure Contractor No. 3 to sell his interest. During a recorded meeting on or about July 22, 2002, defendant HARRY G. PARKIN falsely told Contractor No. 1 that the DEP had contacted the MCIA during the previous week, asking questions about Contractor No. 3.

(C) On or about August 14, 2002, defendant HARRY G. PARKIN met Contractor No. 1 at a Trenton restaurant. During that recorded meeting, defendant HARRY G. PARKIN told Contractor No. 1 that defendant HARRY G. PARKIN would direct the Former Executive Director to bring Contractor No. 4 to meet defendant

HARRY G. PARKIN. Defendant HARRY G. PARKIN explained that he would tell Contractor No. 4 that the DEP was looking at the Recycling Company's license, that in light of this, there was no guarantee that the MCIA would renew the Recycling Company's Recycling Contract, and that the MCIA might put the contract out to bid. Defendant HARRY G. PARKIN instructed Contractor No. 1 to meet with Contractor No. 3 to ascertain what amount of money Contractor No. 3 would want to be bought out of the Recycling Company. Defendant HARRY G. PARKIN also told Contractor No. 1 that he would go to the MCIA and have them put the Recycling Contract out to bid.

(D) On or about August 21, 2002 defendant HARRY G. PARKIN met the Former Executive Director and the MCIA Manager in Parkin's Office. At that recorded meeting, defendant HARRY G. PARKIN directed the Former Executive Director and the MCIA Manager to try to get the State Police to take some action that week regarding the potential licensing problem relating to Contractor No. 3's role at the Recycling Company. Defendant HARRY G. PARKIN also told the MCIA Manager to instruct other MCIA employees not to do anything about renewing the Recycling Contract with the Recycling Company. The MCIA Manager later confirmed to defendant HARRY G. PARKIN that he had spoken to an employee of the MCIA and instructed the employee to make sure that the MCIA did not send out a letter to the Recycling Company renewing the Recycling Contract.

(E) During a recorded meeting at a Trenton restaurant, on or about August

27, 2002, defendant HARRY G. PARKIN informed the Former Executive Director that defendant HARRY G. PARKIN had told Contractor No. 1, believing that Contractor No. 1 would tell Contractor No. 3, that a state auditor was making inquiries into the Recycling Company's license and, as a result, the MCIA was planning to re-bid the county recycling contract. As defendant HARRY G. PARKIN knew, in fact, no state auditor had made inquiries at that time.

(F) During a recorded meeting at the offices of the Recycling Company, on or about August 29, 2002, defendant HARRY G. PARKIN falsely told Contractor No. 1 and Contractor No. 3 that members of the New Jersey State Police were at the MCIA "snooping around" about the Recycling Company and that the State Police were looking at the management issue of the Recycling Company.

(G) During a recorded meeting in Parkin's Office on or about September 9, 2002, defendant HARRY G. PARKIN told the Former Executive Director that he was going to have the MCIA Manager write or call Contractor No. 1 regarding the New Jersey State Police investigation.

(H) On or about October 30, 2002, defendant HARRY G. PARKIN met with the Former Executive Director at Parkin's Office. During this recorded meeting, defendant HARRY G. PARKIN informed the Former Executive Director that the purpose of the meeting (which Contractor No. 1 was expected to join later) was to reach an agreement for himself and the Former Executive Director under the assumption that

Contractor No. 3 would be forced to withdraw from the Recycling Company by the State Police. It was discussed that defendant HARRY G. PARKIN, the Former Executive Director and Contractor No. 1 would be one-third partners in the company. After Contractor No. 1 joined the meeting, defendant HARRY G. PARKIN discussed that the plan was for Contractor No. 1, the Former Executive Director and himself to be the owners of the Recycling Company, acknowledging that this could be accomplished by the Former Executive Director holding two-thirds of the Recycling Company stock as a front for defendant HARRY G. PARKIN'S hidden one-third ownership interest. Defendant HARRY G. PARKIN also told Contractor No. 1 there was a State Police investigation, but instructed Contractor No. 1 to pretend that he did not know anything about it. Defendant HARRY G. PARKIN informed Contractor No. 1 of his alternative plan to put pressure on Contractor No. 3, which was to use an attorney friend of defendant HARRY G. PARKIN'S to contact the State Police (on behalf of Contractor No. 1) to fill out a new key employee form for the Recycling Company waste removal license that would reflect that Contractor No. 3 was a key employee of the Recycling Company. Having thus made Contractor No. 3's status as a key employee of the Recycling Company a matter of record, the Recycling Company license would be at risk because of Contractor No. 3's purported problems in the waste management industry in New York City. According to defendant HARRY PARKIN, if Contractor No. 3 saw that the license were at risk, then he would be more inclined to sell his interest in the Recycling Company.

(I) On or about December 4, 2002, following the MCIA Manager's prompting, which, in turn had been prompted by defendant HARRY G. PARKIN, members of the New Jersey State Police visited the offices of the Recycling Company and, among other things, reviewed some of the Recycling Company's financial records.

(J) On or about December 18, 2002, the MCIA mailed a letter to the Recycling Company exercising its option to renew the Recycling Contract for the year 2003.

(K) On or about December 23, 2002, defendant HARRY G. PARKIN met with Contractor No. 1 at Parkin's Office. At this tape-recorded meeting, defendant HARRY G. PARKIN threatened Contractor No. 1 that unless Contractor No. 3 was bought out of the Recycling Company by the end of the year, the MCIA would not renew the Recycling Company's Recycling Contract for the year 2003 and would put the contract out to bid (even though the MCIA already had mailed a letter on or about December 18, 2002 to the contrary). Defendant HARRY G. PARKIN told Contractor No. 1 that the MCIA would not extend the Recycling Contract into the fourth year as long as Contractor No. 3 remained at the Recycling Company. Defendant HARRY G. PARKIN further stated that he would have the MCIA Manager call Contractor No. 3 the following day to tell him that the Recycling Contract would be withdrawn and to talk to Contractor No. 1 about it. Defendant HARRY G. PARKIN also threatened that if Contractor No. 3 did not leave the Recycling Company, defendant HARRY G. PARKIN

would inform the Executive Director of the MCIA and the Mercer County Executive that Contractor No. 3 had allegedly criminal contacts and that such information would cause them to re-bid the recycling contract.

(L) On or about January 9, 2003, defendant HARRY G. PARKIN met Contractor No. 1 in Parkin's Office. During this recorded meeting, defendant HARRY G. PARKIN gave Contractor No. 1 a revised Recision of Management Agreement for Contractor No. 1 to give Contractor No. 3. Defendant HARRY G. PARKIN offered that if Contractor No. 3 doubted Contractor No. 1's ability to obtain the cash required to buy him out, defendant HARRY G. PARKIN would put \$200,000 into an escrow account. Defendant HARRY G. PARKIN explained that they needed to keep Contractor No. 3 uncomfortable and that if he needed to place additional pressure on Contractor No. 3, they could send the MCIA Manager to visit Contractor No. 3 again.

(M) From on or about January 13, 2003 to in or about March 2003, defendant HARRY G. PARKIN continued to have discussions with the Former Executive Director, Contractor No. 1 and the MCIA Manager relating to the Recycling Company. During those conversations, defendant HARRY G. PARKIN discussed, among other things, his efforts to raise the money needed to buy out Contractor No. 3, various drafts defendant HARRY G. PARKIN made of the Recision of Management Agreement under which Contractor No. 3 would be bought out, and the continuing efforts to pressure Contractor No. 3 to rescind his interest in the Recycling Company.

(N) In or about February, 2003, defendant HARRY G. PARKIN instructed the MCIA Manager to meet with Contractor No. 3 and to inform him that the County knew of his allegedly criminal contacts and that, if the State Police found the allegations credible, Contractor No. 3 and the Recycling Company would be economically harmed. Pursuant to defendant HARRY G. PARKIN'S instructions, the MCIA Manager met with Contractor Nos. 3 and 4 in the MCIA Manager's office. During that meeting, the MCIA Manager told Contractors No. 3 and 4 that the County had received information about Contractor No. 3's prior business problems in New York and that the matter had been reported to the State Police.

#### Mailings

20. On or about the dates listed below, in Mercer 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

HARRY G. PARKIN

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

COUNT	DATE of MAILING	DESCRIPTION OF MAILING
1	July 13, 2001	False Financial Disclosure Form Covering the Calendar Year 2000 Omitting the Source of Interest Income Received in Connection with the \$150,000 Loan mailed to the Commission of Ethical Standards
2	August 24, 2001	Letter from defendant HARRY G. PARKIN to the Aviation Company Regarding the Mercer County Airport Lease
3	August 29, 2001	Letter from the MCIA to Contractor No. 1 Requesting a Second Bid for the MCIA Trenton Demolition Project that Excluded Disposal Costs
4	September 20, 2001	False Financial Disclosure Form Covering the Calendar Year 2000 Omitting the Source of Interest Income Received in Connection with the \$150,000 Loan mailed to the Department of Community Affairs
5	October 3, 2001	Letter from the Aviation Company to defendant HARRY G. PARKIN Relating to Certain Lease Terms at the Mercer County Airport
6	November 21, 2001	Letter from the MCIA to Contractor No. 1 Requesting that Contractor No. 1 Provide the MCIA with, Among Other Things, Proof of Insurance and a Performance and Payment Bond Relating to the MCIA Demolition Project in Trenton
7	December 4, 2001	Letter from MCIA to Contractor No. 1 Requesting that Contractor No. 1 provide the MCIA with, among other things, Proof of Insurance and a Proposition of Surety Relating to the MCIA Demolition Project in Trenton

8	December 19, 2001	The MCIA Board Resolution Approving the Awarding of the Trenton MCIA Demolition Project to Contractor No. 1 Mailed by the MCIA to Contractor No. 1
9	December 20, 2001	The Fully Executed Contract Between Contractor No. 1 and the MCIA for the Trenton MCIA Demolition Project Mailed by the MCIA to Contractor No.1
10	January 22, 2002	Letter Regarding the Approval of Final Payment for the MCIA Trenton Demolition Project Mailed by the MCIA to Contractor No.1
11	January 30, 2002	Draft Lease Agreement Between Mercer County and the Aviation Company Mailed by the Mercer County Airport to the Aviation Company
12	March 4, 2002	Letter Regarding the Draft Lease Agreement Between Mercer County and the Aviation Company Mailed by the Mercer County Airport to the Aviation Company

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

COUNT 13

(Attempted Extortion Under Color of Official Right  
and Induced by Wrongful Use of Fear of Economic Harm)

1. Paragraphs 1 through 10, 14, 18 and 19 of Counts 1 to 12 of this Indictment are repeated and realleged as if set forth in full herein.

2. From in or about Spring, 2001 to in or about March, 2003, in Mercer County, in the District of New Jersey, and elsewhere, defendant

HARRY G. PARKIN

knowingly and willfully did attempt to obstruct, delay and affect interstate commerce by extortion – that is obtaining an ownership interest, and an option to purchase an ownership interest, in the Recycling Company with consent under color of official right and induced by wrongful use of fear of economic harm.

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

  
FOREPERSON

  
CHRISTOPHER J. CHRISTIE  
UNITED STATES ATTORNEY

