IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	**CRIMINAL NO. 04-00370**
v.	:	**DATE FILED: November 2, 2004**
RONALD A. WHITE	:	**VIOLATIONS:**
COREY KEMP		**18 U.S.C. § 371 (conspiracy to commit honest**
GLENN K. HOLCK	:	**services fraud - 1 count)**
STEPHEN M. UMBRELL		**18 U.S.C. § 1001 (false statements to FBI - 7**
LA-VAN HAWKINS	:	**counts)**
JANICE RENEE KNIGHT		**18 U.S.C. § 1014 (false statements to bank - 7**
CHARLES LeCROY	:	**counts)**
ANTHONY C. SNELL		**18 U.S.C. §§ 1341, 1346 (mail fraud:**
DENIS CARLSON	:	**deprivation of right to honest services of**
FRANCIS D. McCRACKEN		**public official - 6 counts)**
	:	**18 U.S.C. § 1341 (mail fraud: deprivation of**
		property - 6 counts)
	:	**18 U.S.C. §§ 1343, 1346 (wire fraud:**
		deprivation of right to honest services of
	:	**public official - 18 counts)**
		18 U.S.C. § 1343 (wire fraud: deprivation of
	:	**property - 4 counts)**
		18 U.S.C. § 1623 (perjury - 4 counts)
	:	**18 U.S.C. § 1951 (extortion and attempted**
		extortion - 2 counts)
	:	**18 U.S.C. § 1956(a)(1)(b)(i) (money laundering**
		- 4 counts)
	:	**26 U.S.C. § 7206(1) (false tax return - 4**
		counts)
	:	**18 U.S.C. § 2 (aiding and abetting)**
		Notice of additional factors

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COUNT ONE

CONSPIRACY TO COMMIT HONEST SERVICES FRAUD

THE GRAND JURY CHARGES THAT:

Introduction

1. At all times relevant to this indictment:

a. Defendant RONALD A. WHITE was a private attorney licensed to practice in the Commonwealth of Pennsylvania. WHITE sought employment as an attorney participating in the issuance of bonds of the City of Philadelphia (the "City") and related agencies, and also sought in those deals the award of printing contracts to a printing company nominally owned by his paramour, defendant JANICE RENEE KNIGHT. WHITE also acted as an advocate on behalf of financial services companies seeking to do business with the City, in exchange for which assistance WHITE sought and obtained lucrative legal fees and other remuneration, business for KNIGHT's printing company, and substantial political and other contributions to causes favored by WHITE, including the reelection of the Mayor of Philadelphia. The Mayor instructed his staff that, if WHITE or firms he touted appeared to be qualified, the staff members should award the City business WHITE sought, and provide WHITE with inside information he sought regarding the operations of City agencies otherwise unavailable to the public. From in or about June 2002 to in or about October 2003, WHITE also served on the Board of Directors of Commerce Bank/Pennsylvania, N.A.

b. Defendant COREY KEMP was the Treasurer of the City of Philadelphia, a position to which he was appointed by the Mayor in or about April 2002 and in which he served until in or about November 2003. Before his appointment as Treasurer, KEMP served as a Deputy Treasurer of the City from in or about June 2000 to in or about April 2002. The Treasurer of the City is the official custodian of all City cash and securities. The Treasurer is responsible for, among other things, maintaining deposits and investments of more than $1.5 billion a year and overseeing bond issues for the City and related agencies.

c. To carry out these responsibilities, defendant COREY KEMP reviewed and recommended to his superiors the appointment of financial services firms to maintain City deposits and investments and to underwrite bond issues for the City and related agencies. KEMP also recommended the appointment of law firms and financial printers to participate in these transactions. KEMP's recommendations were largely accepted.

d. The City and its citizens had a right to the honest services of their public officials and employees in the operation of City government. As such a public official, defendant COREY KEMP owed the City and its citizens, under the City Charter, the Philadelphia Code, and Pennsylvania and common law, a duty to: (a) refrain from the use of public office for private gain; (b) disclose conflicts of interest and other material information in matters over which he had authority and discretion that resulted in his

direct or indirect personal gain; (c) refrain from holding financial interests that conflicted with the conscientious performance of his duties, or recuse himself from matters in which his financial interest may be affected; (d) refrain from soliciting or accepting any item of monetary value, including gifts and loans, with the intent to be influenced, from any person seeking official action from, doing business with, or whose interests may be affected by the performance or nonperformance of his duties; (e) act impartially and not give preferential treatment to any private individual seeking to conduct or conducting business with the City; and (f) disclose waste, fraud, abuse, and corruption to appropriate authorities.

e. In violation of each aspect of his duties listed above, KEMP's actions while serving as Treasurer were unlawfully influenced by gifts, favorable loans, and other benefits he received from, among others, defendants RONALD A. WHITE, GLENN K. HOLCK, STEPHEN M. UMBRELL, and LA-VAN HAWKINS, and others known to the grand jury, all of which KEMP failed to disclose.

f. Defendant GLENN K. HOLCK was the president of Commerce Bank/Pennsylvania, N.A. ("Commerce Bank"). Commerce Bank is a subsidiary of Commerce Bancorp, Inc. As president of Commerce Bank, HOLCK participated in seeking and obtaining financial services contracts for Commerce Bank, and for other subsidiaries of Commerce Bancorp, including Commerce Capital Markets, with the City of Philadelphia. HOLCK also had the authority to waive certain conditions on loans

issued by Commerce Bank, and exercised that authority on favorable loans made to defendant COREY KEMP and to an entity with which KEMP was affiliated.

g. Defendant STEPHEN M. UMBRELL was a regional vice-president of Commerce Bank. As a regional vice-president, UMBRELL participated in the seeking and obtaining of financial services contracts for Commerce Bank with the City of Philadelphia. UMBRELL also had the authority to waive certain conditions on loans issued by Commerce Bank, and exercised that authority on a number of favorable loans made to defendant COREY KEMP, to a relative of KEMP, and to an entity with which KEMP was affiliated.

h. Defendant LA-VAN HAWKINS was a Detroit businessman who sought to participate with defendant RONALD A. WHITE in various business ventures, for which they sought the assistance of public officials and political candidates by offering to those officials and candidates campaign contributions and other remuneration.

i. Defendant JANICE RENEE KNIGHT was the paramour of defendant RONALD A. WHITE. She was nominally the owner of RPC Unlimited, Inc., which purported to be a Philadelphia printing company, and Renee Enterprises, which purported to be a Philadelphia food and vending concessionaire, both of which shared the same business address and telephone number. However, KNIGHT devoted little time to these enterprises. Instead, she relied on WHITE to develop business for these enterprises, negotiate contracts for these enterprises, set prices for services ostensibly provided by

these enterprises, collect accounts payable of these enterprises, and direct both herself and employees in the operations of these enterprises and in the performance of the enterprises' contracts. In part, on KNIGHT's behalf, WHITE (a) solicited, negotiated, and obtained printing business for RPC Unlimited, Inc. from the City of Philadelphia, the Philadelphia International Airport, and businesses seeking municipal contracts from the City of Philadelphia and the Philadelphia International Airport; and (b) solicited, negotiated, and obtained vending, concession, and financial consulting business for Renee Enterprises from businesses seeking municipal contracts from the City of Philadelphia and the Philadelphia International Airport, with the understanding and expectation that Renee Enterprises would perform few or no services in exchange for payments it received.

The Conspiracy

2. From in or about January 2002 to on or about October 16, 2003, at Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendants

RONALD A. WHITE,
COREY KEMP,
GLENN K. HOLCK,
STEPHEN M. UMBRELL,
LA-VAN HAWKINS, and
JANICE RENEE KNIGHT

conspired and agreed, together and with others known and unknown to the grand jury, to commit an offense against the United States, that is, to knowingly devise a scheme to defraud the City of Philadelphia and its citizens of the right to defendant COREY

KEMP's honest services in the affairs of the City of Philadelphia, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and to use the United States mails and other interstate delivery services and interstate wire communications to further the scheme to defraud, in violation of Title 18, United States Code, Sections 1341, 1343, and 1346.

Manner and Means

It was part of the conspiracy that:

3. Defendant RONALD A. WHITE acquired control over the decision-making of the City Treasurer through corrupt payments and gifts to defendant COREY KEMP. WHITE provided benefits to KEMP with the assistance of defendant LA-VAN HAWKINS. In addition, defendants GLENN K. HOLCK and STEPHEN M. UMBRELL, with WHITE's knowledge, provided favorable and otherwise unavailable loans from Commerce Bank to KEMP.

4. In exchange for the benefits WHITE and others provided and promised, KEMP took WHITE's directions regarding matters of City business. Throughout 2003, KEMP constantly sought and took WHITE's direction regarding the employment of financial service companies to carry out bond transactions, and regarding other official decisions KEMP was required to make as City Treasurer. WHITE and KEMP conversed continually by phone, often speaking by cell phone during the 7 a.m. hour on the way to work, then regularly during the day as events warranted. They also met just as regularly

for meals and other meetings. On a daily basis, WHITE instructed KEMP regarding which providers to select for participation in City transactions, and which to exclude, and KEMP followed those instructions. KEMP consulted with WHITE before sending recommendations to his superiors, and before answering inquiries from his superiors. KEMP also steered business to WHITE, and took other actions to favor WHITE's interests whenever he could.

5. WHITE's purpose in obtaining control over KEMP's official decision-making was financial gain. WHITE earned substantial legal fees from City financing transactions in which KEMP successfully recommended WHITE's participation. WHITE also directed KEMP to recommend the award of City business to the printing company nominally controlled by WHITE's paramour, defendant JANICE RENEE KNIGHT. WHITE also profited by directing KEMP to award City business to firms favored by WHITE, which in turn, in exchange for WHITE's access and influence, paid WHITE legal fees and retainers, gave additional business to KNIGHT's printing company, offered loans to WHITE and persons close to WHITE without consideration of ordinary underwriting requirements, and made contributions to politicians, charities, and other causes favored by WHITE. WHITE also directed KEMP to deny City business to firms which did not support WHITE and his causes.

6. Defendants GLENN K. HOLCK and STEPHEN M. UMBRELL, on behalf of their employer, Commerce Bank, both directed benefits directly to KEMP, and

knowingly took advantage of WHITE's corrupt relationship with and control over KEMP. In or about June 2002, Commerce Bank placed WHITE on its Board of Directors. Throughout 2002, and until October 2003, Commerce Bank paid $15,000 per month to WHITE apart from his compensation for serving on the Board, and made other payments and made loans to favor his interests. In return for all of this compensation, WHITE directed KEMP to take action on Commerce Bank's behalf. HOLCK and UMBRELL knew that KEMP unduly favored Commerce Bank due to the influence WHITE exerted and the benefits that HOLCK and UMBRELL extended to KEMP with the intent to influence KEMP's official actions.

7. In conversations monitored by the government pursuant to judicial authorization for approximately nine months during 2003, WHITE and KEMP openly discussed their criminal scheme, in which KEMP permitted WHITE to take over KEMP's official decision-making in exchange for benefits from WHITE and others. For example, on or about February 12, 2003, while discussing the selection of financial services firms favored by WHITE, WHITE stated, "well, we moving s---, ain't we Corey? . . . there ain't nobody in it but me and you now." KEMP replied, "That's it, everybody else out the picture, huh?" WHITE agreed. KEMP continued, "listen man, we're gonna keep it that way, man, for awhile. . . . This gonna be our year, we'll worry about next year next year." WHITE again agreed.

8. During 2003, WHITE occasionally promised KEMP that, if the Mayor of Philadelphia, whom WHITE raised money for his reelection campaign and who employed KEMP, were reelected in November 2003, WHITE would continue to benefit KEMP and KEMP would become financially set. For example, on or about February 27, 2003, KEMP asked WHITE, "I wanted to ask you a question, from a career standpoint, should I be looking at other opportunities that jump up, like for example, the CFO position jumped up, opened up at PHA," referring to the Philadelphia Housing Authority. WHITE replied, "that's the worst place you could ever go, man. Nah, you need to stay where you are, because that's where all the action is, that's where all your best contacts are, but you know, look man, we moving together." KEMP said, "right, right, I didn't know if there was more opportunity to do things there than where we're at." WHITE responded, "nah, nah, there's nothing you could do there . . . hopefully, John gets out of this election okay, we probably need about two more years then we ready to roll, we should be ready to roll." KEMP agreed.

9. Similarly, on or about August 25, 2003, WHITE advised KEMP, "the key for us right now, man, is to concentrate on getting John elected, so it gives us four more years to do our thing. If we get four more years, Corey, we should be able to set up, you know, I mean and for you we maybe only talking about only two, you know what I mean?" KEMP said, "that's good, that's good, that's cool."

10. On or about October 2, 2003, KEMP told WHITE that KEMP had just heard a news report that the Mayor was leading by five points in a poll for the impending mayoral election. KEMP said, "listen man, if he pulls this out we gonna rock and roll, man, I was thinking about that last night, man." WHITE said, "oh yeah, no question, man, s---, pull out all the stops, brother." KEMP agreed, "that's right, no holds barred, man."

11. KEMP permitted WHITE to direct KEMP's official actions in a manner in which KEMP knew not only directly benefitted WHITE and WHITE'S interests but also the political candidates WHITE supported, including the Mayor of Philadelphia, who employed KEMP. WHITE and KEMP agreed that when WHITE demanded political contributions from financial services firms to the Mayor's reelection campaign, the firms had to make them or be excluded from obtaining City business. On or about August 26, 2003, discussing that matter, WHITE said to KEMP, "either you down or you ain't with it." KEMP replied, "right, cause if they don't, if they ain't with us they ain't gonna get nothing." WHITE said, "that's right." KEMP said, "you know, you just hate to say it but that's the way it is, man, I mean, this is . . . election time, this is time to either get down or lay down, man, I mean, come on, to me, personally it's not even a hard decision."

A. Benefits RONALD A. WHITE Gave to COREY KEMP.

12. Throughout 2002 and 2003, defendant RONALD A. WHITE showered defendant COREY KEMP with payments and other gratuities, including at least $10,000 paid in 2002, a $10,350 deck for KEMP's house in 2003, a trip to the Super Bowl in San Diego in January 2003 (including transportation by private jet and limousine, and a ticket to the game), and numerous other meals, parties, and choice tickets to sports and entertainment events, some of which are described further below. WHITE also held out the promise of vast future riches, assuring KEMP secret participation in what WHITE represented would be lucrative financial opportunities in the development of the Philadelphia International Airport and a racetrack/casino proposed at the Philadelphia Naval Yard. In exchange for these benefits, which KEMP did not publicly disclose, KEMP permitted WHITE to direct KEMP's decision-making as Treasurer of the City.

i. Payment of $10,000.

13. Among the benefits which defendant RONALD A. WHITE extended to defendant COREY KEMP, WHITE arranged for KEMP to be paid $10,000 during 2002. WHITE did so by using his friend and business associate, defendant LA-VAN HAWKINS, as a conduit, to conceal WHITE's direct role in making the payments. HAWKINS participated in these payments knowing that KEMP was a public official, and intending to assist WHITE in corrupting KEMP and to use KEMP's assistance himself if a need materialized (as in fact occurred, as described in paragraphs 118 to 128 below).

14. Specifically, LA-VAN HAWKINS wrote a $5,000 check to COREY KEMP dated March 10, 2002, on a Detroit, Michigan account HAWKINS controlled in the name of "New Detroit 2," at First Independence National Bank. KEMP deposited the money in his personal bank account.

15. HAWKINS signed another $5,000 check which was payable to KEMP, dated September 25, 2002, written on a First Independence account in HAWKINS' name. This check was deposited in KEMP's personal account, but bounced twice due to insufficient funds. It was replaced on or about October 10, 2002, by a wire transfer sent from HAWKINS' New Detroit 2 account to KEMP's personal account at Commerce Bank. WHITE gave the money to HAWKINS for this payment to KEMP; on or about September 23, 2002, WHITE wrote a check to HAWKINS for $5,000.

ii. <u>The NBA All-Star events</u>.

16. In February 2002, when the NBA All-Star Game was played in Philadelphia, defendant COREY KEMP received NBA All-Star Weekend tickets through defendant RONALD A. WHITE. The tickets were provided by an executive of a company known to the grand jury (referred to as Company No. 1), which sought to be retained by the City to participate in the reinvestment of bond proceeds. Company No. 1 purchased six seats in a suite for all of the Philadelphia events (rookie game, slam dunk competition, and the All-Star Game), from a ticket broker, for $1,750 per person.

Company No. 1 provided four of the tickets to WHITE, who provided at least one to KEMP at no charge.

17. The tickets were sent by Federal Express from Company No. 1 to WHITE in Philadelphia on or about February 7, 2002. Company No. 1 also provided a round-trip limousine ride on all three days of the All-Star events for KEMP from his home in Birdsboro, Berks County, Pennsylvania to Philadelphia. The executive of Company No. 1 who afforded this benefit was an owner of the limousine, and incurred out-of-pocket expenses for the three trips of $603.

iii. Party in KEMP's honor.

18. On or about May 30, 2002, a month after defendant COREY KEMP became City Treasurer, defendant RONALD A. WHITE hosted a reception at the Zanzibar Blue restaurant in KEMP's honor, at a cost to WHITE of $5,179.53.

19. A Commerce Capital Markets executive invited several of his colleagues to this reception honoring KEMP for his promotion to City Treasurer. In an e-mail, the executive stated, "Ron White (ie Commerce) is throwing a reception for Corey on Thursday, May 30th." On the same day as this reception, KEMP directed that a $1.5 million City account be moved to Commerce Bank.

iv. The Super Bowl trip.

20. Defendants RONALD A. WHITE and COREY KEMP traveled to the Super Bowl held on January 26, 2003 in San Diego, California. WHITE, defendant LA-

VAN HAWKINS, and a financial services company known to the grand jury (referred to as Company No. 2), which sought to do business with the City, paid for all or nearly all of KEMP's expenses for this trip.

21. On or about January 24, 2003, WHITE, KEMP, and HAWKINS flew from Philadelphia to Los Angeles on a private plane leased by HAWKINS. WHITE, KEMP, and HAWKINS stayed in separate rooms at the Peninsula Hotel in Beverly Hills, California. KEMP's bill for his room came to $1,390.26, which he paid with a check card linked to his personal bank account. WHITE later reimbursed KEMP in whole or in part for this expense.

22. WHITE and KEMP traveled from Beverly Hills to San Diego for the Super Bowl game in a limousine hired by WHITE at a cost of $915.42. Their tickets for the game were provided to WHITE by Company No. 2, a financial services firm which, with WHITE's help, was soliciting City business from KEMP. Shortly after the Super Bowl trip, KEMP successfully advocated a $150,000 contract for Company No. 2 to manage the City's interest rate swap transactions (a particular form of debt issuance). Company No. 2 provided WHITE with three Super Bowl game tickets, for which it paid a ticket broker $3,500 each. A representative of Company No. 2 also promised WHITE that he would provide future tickets to choice sporting events "if this keeps up."

v. <u>The $10,350 deck</u>.

23. During 2003, defendant RONALD A. WHITE arranged for a construction firm known to the grand jury (referred to as Company No. 3), which was one of WHITE's clients, to construct a deck on defendant COREY KEMP's house in Birdsboro, Pennsylvania at a cost of $10,350. WHITE promised KEMP that WHITE would pay for the deck.

24. WHITE first mentioned the deck in a telephone call on or about March 27, 2003, when WHITE spoke to an executive of Company No. 3. WHITE stated that KEMP wanted a deck, and asked the executive to assist, stating, "he is a real soldier, you know, he's playing with us." The executive said he could barely hear WHITE, but he understood, "you want me to take care of him."

25. Subsequently, Company No. 3 contracted with another company to build the deck for $10,350 for all material, supplies, and labor, which Company No. 3 paid in full. Company No. 3 (through an affiliate it owned) then submitted a bill to KEMP for that amount, without adding any surcharge. On or about August 11, 2003, WHITE and KEMP discussed the bill, and WHITE told KEMP that he would "take care of that for you."

vi. <u>The "anniversary" party</u>.

26. Defendant RONALD A. WHITE provided a free trip for defendant COREY KEMP and a female friend of KEMP's to Detroit, Michigan, on or about April 4

and 5, 2003. The purpose of the trip was to celebrate the ten-year "anniversary" of WHITE and his paramour, defendant JANICE RENEE KNIGHT. WHITE, KNIGHT, KEMP, and KEMP's female friend traveled from the Northeast Philadelphia Airport to Detroit on a private plane leased by WHITE, at a cost of $4,909.54. On the flight, they enjoyed champagne and hors d'oeuvres, and upon landing in Detroit were transported to the upscale Atheneum Suite Hotel in a limousine. They attended a party on or about the evening of April 4, 2003, hosted by defendant LA-VAN HAWKINS at HAWKINS' Detroit restaurant, Sweet Georgia Brown.

vii. <u>Other benefits and gratuities</u>.

27. Throughout 2002 and 2003, defendant RONALD A. WHITE provided defendant COREY KEMP with a constant stream of meals, tickets, and other benefits in addition to those described above. WHITE frequently took KEMP out for breakfast, lunch, and dinner, and paid all of the charges. On occasion, WHITE arranged for KEMP to dine at Il Portico, a Philadelphia restaurant, in WHITE's absence, but on WHITE's account. For example, on or about February 14, 2003, KEMP took his wife to dinner at Il Portico to celebrate Valentine's Day, and WHITE paid the bill.

28. One example of WHITE providing KEMP with tickets to sporting events arose on or about August 12, 2003, when KEMP told WHITE that the USA men's basketball team would be playing at Madison Square Garden in New York City that weekend. He asked if WHITE could get four tickets, saying, "call SNELL or somebody,"

referring to ANTHONY C. SNELL, an account representative at J.P. Morgan charged elsewhere in this indictment. WHITE or a member of his staff called Company No. 2 (the firm which had provided the Super Bowl tickets), which agreed to provide the tickets. On or about August 13, 2003, Company No. 2 purchased four tickets to the game, for a total cost of $700, and arranged for them to be sent by Federal Express from the firm's Los Angeles ticket broker to WHITE. WHITE received the tickets the next day and delivered them to KEMP, at no charge.

29. KEMP also directly approached City contractors to whom he had been introduced by WHITE to ask for benefits. For example, in June 2003, KEMP asked the executive of Company No. 1, who had provided the NBA All-Star and limousine gratuities in February 2002, to provide a limousine ride for KEMP to a concert in Scranton, Pennsylvania; the executive complied. In July 2003 and on one earlier occasion, KEMP received the free use of a condominium in the Poconos owned by DENIS CARLSON, an executive of Janney Montgomery Scott charged elsewhere in this indictment, which WHITE promoted in the award of City business. On each occasion, KEMP used the condominium for a free personal vacation.

30. As stated later, KEMP also received favorable treatment from Commerce Bank, with which WHITE had his most lucrative arrangement, in exchange for actions which KEMP took on Commerce's behalf with WHITE's assistance.

viii. <u>Promise of future rewards</u>.

31. In exchange for defendant COREY KEMP's cooperation in defendant RONALD A. WHITE's endeavors, WHITE promised KEMP access to investment opportunities available to a select few.

32. One such opportunity was a plan by a group of prominent Philadelphia-area businessmen known to the grand jury, including WHITE, to develop a racetrack/casino on the site of the closed Philadelphia Naval Yard. WHITE offered KEMP a hidden interest in this transaction for $50,000, with the promise to keep KEMP's participation secret because of KEMP's position as a public official. KEMP then plotted with FRANCIS D. McCRACKEN (charged elsewhere in this indictment) to obtain the $50,000 through a separate fraud on the Reading, Pennsylvania church where McCRACKEN was the pastor and KEMP was a member (described in Counts Forty-Five to Forty-Seven of this indictment). KEMP and McCRACKEN hoped to realize as much as $20 million from the racetrack/casino deal.

33. During the same period of time, WHITE promised KEMP that WHITE would assist in financing and setting up a business called NP3, Inc., to be operated by a close friend of KEMP's, to provide catering services at the Philadelphia International Airport. The name NP3 stood for "North Philly Three," signifying that WHITE, KEMP, and KEMP's friend all hailed from North Philadelphia.

34. KEMP told his friend that only the friend's name would be used in creating the business, because it would be a conflict of interest for KEMP if the company obtained City business at the City-owned airport, and WHITE's connection with the Mayor was politically sensitive. KEMP then encouraged his friend to complete the necessary paperwork. On or about June 26, 2003, KEMP called his friend to state that WHITE was encouraging them to move quickly, but his friend complained that he did not have a necessary $100 fee. KEMP replied, "I know, but that is all going to come back, this is big time money, he just called me and said we got to hurry the f--- up . . . I mean this thing is going to bring us thousands of dollars, man . . . this is a retirement plan, this is an investment." KEMP later arranged for his friend to take the necessary $100 from KEMP's account, using money that KEMP obtained as part of his and McCRACKEN's fraud on McCRACKEN's church.

B. <u>KEMP's Failure to Disclose Benefits from White and Others</u>.

35. Defendant COREY KEMP received all of the payments, benefits, loans, gratuities, and other rewards described both above and later in this indictment, from defendants RONALD A. WHITE, GLENN K. HOLCK, STEPHEN M. UMBRELL, LA-VAN HAWKINS, and others, with the knowledge that all of these benefits were given with the intent to influence him in the performance of his official duties. Moreover, KEMP regularly took discretionary actions in matters concerning those who provided these benefits to him, without recusing himself or disclosing his conflict of interest.

36. In addition, KEMP did not disclose any of these benefits on the public disclosure forms he was required by law to file. Specifically, KEMP was required to file three disclosure forms covering 2002, two with the City and one with the Commonwealth of Pennsylvania. Each of these forms, which KEMP filed in or about April and May 2003, required KEMP to disclose the two $5,000 payments he received from WHITE and HAWKINS, as well as the meals, tickets, and other gratuities KEMP received from WHITE and others during 2002. However, KEMP omitted all of this information on each of the forms.

C. <u>KEMP's Actions on WHITE's Behalf</u>.

37. During the time that defendant COREY KEMP served as Treasurer, and received a constant stream of benefits from defendant RONALD A. WHITE and others as described above, KEMP repeatedly and unlawfully took official actions favoring WHITE's interests. Indeed, WHITE essentially made the decisions of the City Treasurer.

38. Much of WHITE's interests concerned the issuance of bonds by the City and related agencies to fund the City's financial obligations. When the City issues bonds, it assembles a team of financial professionals, known as the "bond team," to perform the necessary work. Such a team is led by an underwriter, which is an investment bank that structures the transaction and ultimately sells the debt. Additional investment banks participate in the "syndicate," and take a portion of the bond issuance

and sell it to their customers. The banks earn a commission for each bond they sell (called the "takedown").

39. The preferential spot is the lead, or "senior," underwriter position. This firm receives a management fee in addition to sales commissions, for organizing the transaction. In addition, the senior underwriter is able to allocate to itself more bonds to sell, and more attractive bonds, thus producing larger commissions.

40. Besides the underwriters, the bond team also includes "bond counsel," the attorney who issues an opinion to the prospective bondholders; "underwriter's counsel," who represents the underwriters; a "financial advisor," which provides financial advice to the City regarding the structure of the debt; and the "printer," which prints the offering documents and other required documents after they are approved by the issuer, the underwriters, and counsel. The City, as issuer, selects all of these participants.

41. During KEMP's tenure as Treasurer, he recommended to his superiors the composition of each bond team. The final decisions were made by KEMP's boss, the Finance Director of the City, and her superiors, the Secretary of External Affairs and the Mayor. As a matter of practice, the vast majority of KEMP's recommendations were accepted without change.

i. <u>Selection of WHITE as counsel on bond deals</u>.

42. Defendant COREY KEMP recommended that defendant RONALD A. WHITE serve either as bond counsel or underwriter's counsel on almost every

Philadelphia bond deal during KEMP's tenure as Treasurer (included deals which KEMP structured but which closed after KEMP resigned as Treasurer). During that time, KEMP successfully recommended that WHITE receive the following assignments:

Transaction	Closing Date	WHITE's Role	WHITE's Fee
Neighborhood Transformation Initiative	5-9-02	Bond counsel	$70,000
TRAN Series A 2002-2003	7-10-02	Bond counsel	$50,000
RDA Pavilion Apartment Project Series 2002	12-11-02	Co-bond counsel	$20,000
Protestant Home Revenue Bonds Series 2002	12-13-02	Underwriter's counsel	$20,000
PGW Revenue Bonds Fourth Series	12-30-02	Bond counsel	$62,500
Tasker Home Project (Capital Fund Program) Series 2002 B	12-30-02	Bond counsel	$50,000
PGW Revenue Bonds Seventeenth Series	4-2-03	Bond counsel	$62,500
Temple University Revenue Bonds Series 2000A	6-26-03	Co-bond counsel	$60,000
TRAN Series A 2003-2004	7-9-03	Bond counsel	$63,594

Transaction	Closing Date	WHITE's Role	WHITE's Fee
Hospital and Higher Education Facilities Authority Revenue Bond (MR Project)	7-24-03	Underwriter's counsel	$32,000
RDA Neighborhood Transformation Initiative Series 2003 A (line of credit)	8-15-03	Co-bond counsel	$35,000
City of Philadelphia General Obligation Bonds Series 2003 A & B	12-2-03	Co-bond counsel	$40,000
Philadelphia Municipal Authority Series 2003 A & B	12-16-03	Underwriter's counsel	$68,000
Total			$633,594

43. During this same period of time, the City and related agencies for which KEMP proposed bond teams retained no other attorney or law firm to participate in Philadelphia bond deals with such frequency, and no other attorney and only one major law firm earned as much in fees as did WHITE from Philadelphia bond transactions. WHITE was retained as counsel on Philadelphia bond deals with greater frequency during KEMP's tenure as Treasurer than during that of KEMP's predecessor in the Mayor's administration.

44. KEMP continually used his official position to promote WHITE's financial interests, and described himself as WHITE's "boy sitting in the Treasurer's seat." For instance, on or about May 28, 2003, WHITE complained to KEMP that WHITE was not listed as counsel on a bond issuance for the City's Neighborhood Transformation Initiative (NTI). KEMP explained that there would be no bond deal, but a line of credit instead, but then added, "if you want to be on, I can still get you on the thing, cause it ain't over. . . . I'm gonna make that happen."

45. On or about June 24, 2003, KEMP discussed the fees for the NTI line of credit with the City's financial advisor on the deal. When KEMP and the financial advisor mentioned WHITE, the advisor said, "I mean Ron White, they didn't really do anything." KEMP stated, "I know, they are just going to get paid just for the hell of it." The advisor said she would call WHITE.

46. The next morning, KEMP told WHITE, "you'll probably get a call on the NTI deal, on terms of the fees, probably get a call." WHITE said, "the NTI deal?" KEMP said, "you know that little, line of credit we did." WHITE said, "oh yeah, right, right, Jerry working on that?," referring to an associate in WHITE's firm. KEMP replied, "no, I don't know how much he's working on it but he, you know, he's still gonna get paid, f--- it." KEMP said WHITE would be paid $35,000 or $40,000. WHITE exclaimed, "no kidding!" KEMP said, "man, I'm, you got your boy sitting in, in the Treasurer's seat, man!" WHITE said, "oh s--- man, g-d damn, okay, that's good, man,

that's a, that's a surprise!" KEMP said, "that's what we do, man, take care of each other."

ii. Selection of RPC as the printer on bond deals.

47. At defendant RONALD A. WHITE's direction, defendant COREY KEMP recommended that RPC Unlimited, Inc., the printing company nominally operated by WHITE's paramour, defendant JANICE RENEE KNIGHT, be the financial printer employed on most Philadelphia bond deals. During KEMP's tenure as Treasurer, he successfully recommended that RPC receive the following assignments:

Transaction	Closing Date	RPC Fee
Neighborhood Transformation Initiative	5-9-02	$50,000
TRAN Series A 2002-2003	7-10-02	$40,000
Children's Hospital Project Series A, B, C, D & E	7-31-02	$16,998
Protestant Home Revenue Bonds Series 2002	12-13-02	$5,500
CHOP Revenue Bonds Series 2003 A	2-18-03	$6,000
Water and Wastewater Refunding Bonds Series 2003 A	4-1-03	$30,000

Transaction	Closing Date	RPC Fee
Thomas Jefferson Revenue Bonds Series 2003 A	6-30-03	$6,000
TRAN Series A 2003-2004	7-9-03	$40,000
Hospital and Higher Education Facilities Authority Revenue Bond (MR Project)	7-24-03	$21,750
RDA Temple Beech Interplex Series 2003 A	9-30-03	$12,384
City of Philadelphia General Obligation Bonds Series 2003 A & B	12-2-03	$40,400
Philadelphia Municipal Authority Series 2003 A & B	12-16-03	$39,600
Total		$308,632

48. During this same period of time, no other financial printing company was retained to participate in a Philadelphia bond deal with such frequency, and no other financial printing company earned even half as much in fees as did RPC from Philadelphia bond transactions. RPC was retained as the printer on Philadelphia bond deals with greater frequency during KEMP's tenure as Treasurer than during that of KEMP's predecessor in the Mayor's administration.

49. As with his efforts to place WHITE's firm in bond deals, KEMP regularly worked to benefit RPC. For example, on or about September 2, 2003, KEMP told WHITE, "I just pulled off . . . this Temple Beech deal, I just got RPC on it." KEMP was referring to a bond issuance for a student housing project at Temple University. WHITE said, "no s---?" KEMP said it would be a $10,000 base fee plus expenses. (In fact, RPC later received $12,384 for the deal.) KEMP explained, "I just got off the phone with them, I told them, look, I said, y'all got a lot of people in there that you know I really ain't familiar with, y'all got to put one of my people on." WHITE said, "that's a good move." KEMP replied, "so, I'm working, man."

50. KEMP also provided confidential information to WHITE which permitted RPC to overcharge the City for printing on bond transactions. In reality, RPC did not actually perform any financial printing, and contrary to defendant JANICE RENEE KNIGHT's false representations to others, did not have the equipment necessary for that task. Rather, with respect to every financial printing contract RPC received, it referred the work to another printing company, and then simply marked up the bill from that company, sometimes by more than 400%. WHITE and KNIGHT therefore knew and intended that RPC would receive work from the City not in a fair, merit-based process but simply because of WHITE's ability to secure the contracts from KEMP and other City officials.

51. Further, in violation of his duty of honest services, KEMP provided confidential information to WHITE and KNIGHT regarding the amount that the City was willing to pay for printing. For example, KEMP named RPC as the printer on the Water and Wastewater Refunding Bonds Series 2003 A deal, which closed on or about April 1, 2003. RPC arranged for the actual work to be done by one of its usual subcontractors, which charged $9,237 plus UPS expenses of $922.53, for a total of $10,159.53. On or about March 28, 2003, at 7:19 a.m., KEMP told WHITE to tell KNIGHT to send in the invoice for the water deal, and specified that KNIGHT could make the invoice for $30,000. WHITE then called KNIGHT, at 8:48 a.m., and told her that KEMP had said to send in an invoice for $30,000. He also asked KNIGHT to have her assistant find out the cost for the work so WHITE would know the profit margin. RPC sent an invoice for $30,000 to KEMP later that day.

52. The 2003 Tax Revenue Anticipation Notes ("TRAN") deal, which closed on or about July 9, 2003, was handled similarly. RPC again had the printing done by a different printer, which initially charged $8,468. On or about July 1, 2003, in a phone call at 8:57 a.m., while informing WHITE of a number of things he was doing on WHITE's behalf, KEMP stated that the TRAN deal was scheduled to close on July 9, and "I bumped RPC up to 40 grand, cause they had to rush the deal through . . . so they need to prepare an invoice for 40 grand." WHITE then called KNIGHT at 9 a.m., and said, "hey listen, call [KNIGHT's assistant] this morning and tell her to submit that invoice for

40,000 on this TRAN deal." RPC collected $40,000 from the City on the TRAN deal. Weeks later, KNIGHT complained that the printer it used had overcharged RPC, and asked for and received a credit; in the end, RPC paid the subcontractor a total of $6,560.

iii. <u>KEMP steered business to firms recommended by WHITE</u>.

53. Defendant RONALD A. WHITE also continually directed defendant COREY KEMP regarding which firms to select as underwriters for bond issuances. KEMP sought such direction repeatedly and unfailingly followed WHITE's instructions to direct business to firms that supported WHITE and his favored causes. In addition, at WHITE's direction, KEMP excluded from City business firms that WHITE did not favor. KEMP frequently reviewed entire bond teams with WHITE to get WHITE's directions, repeating this process for particular deals several times as the deals evolved.

54. For example, on or about April 28, 2003, WHITE and KEMP discussed the bond deals pending at that time. KEMP began by saying, "I'm getting my paperwork together, are you ready . . . where do you want to start?" He said, "we're going to go through the deals real quick, right?" In a lengthy conversation, WHITE and KEMP then discussed in detail the underwriters for seven different deals which were at various stages, from hypothetical to committed. WHITE directed KEMP to include in the deals firms WHITE favored and to exclude from the deals others that he did not favor. KEMP told WHITE that he had placed WHITE himself in every deal as counsel.

55. KEMP responded to WHITE's directions. For instance, on or about May 7, 2003, at 9:15 a.m., KEMP telephoned WHITE on WHITE's cell phone. In the call, KEMP said that he was working on the City's Tax Revenue Anticipation Notes (TRAN) bond issuance scheduled for July 2003, and had placed Commerce Capital Markets as the lead underwriter. Commerce was favored by WHITE and KEMP. KEMP then named two firms from which he needed to select a co-manager, one of which was Company No. 4, an underwriting firm known to the grand jury which was paying WHITE $5,000 per month for WHITE's assistance in obtaining City business for it. WHITE instructed KEMP to select Company No. 4. In an e-mail at 3:57 p.m. that afternoon, KEMP recommended to the Finance Director that the City name Company No. 4 the co-manager on the TRAN deal as WHITE had directed. KEMP's recommendation was accepted, and Company No. 4 became the co-manager, for which it earned a fee and commissions of $60,985.

56. In recommending that firms WHITE favored be included in bond deals, KEMP also engaged in other acts to help WHITE ingratiate himself with and make demands on the companies. Most significantly, when a final award of City business was made, KEMP informed WHITE so that WHITE could make the calls informing the winners, and take credit, before KEMP, the public official, called them.

57. As one of many examples, on or about February 27, 2003, KEMP telephoned WHITE and told WHITE that he was moving $50 million in deposits of City

funds to Commerce Bank so WHITE could inform whomever needed to know. Similarly, on or about May 5, 2003, KEMP told WHITE that a contract for Company No. 2 was approved. WHITE said that he would so inform a principal of the firm, saying, "you ain't talked to them, have you?" KEMP said, "no, no, I wanted you to make that call." Immediately thereafter, WHITE telephoned the firm and left a message for an executive to call him back.

58. On or about July 9, 2003, KEMP honestly explained the situation to a banker at Company No. 5, an investment bank known to the grand jury which was not one of WHITE and KEMP's favored firms. The banker called KEMP to ask if Company No. 5 could be considered as the lead or co-lead underwriter on a general obligation bond issuance. KEMP stated that the selections had been made the day before. He added, "it's more than just proposals around here, that's what I keep trying to tell you . . . some people have folks pushing them real hard, pushing on their behalf, this Philadelphia, man, is a political place." The employee of Company No. 5 said, "well we got some people pushing for us now, so it's gonna take time, I think is what you're saying." KEMP responded, "I'm not saying that, you got the right people it could happen tomorrow, you know, it's all about who you got pushing and timing and everything else."

59. WHITE's control of KEMP's decision-making empowered WHITE to seek rewards from the companies he sponsored. WHITE referred to this group of companies as his "network," and it included, among others, Commerce Bank, Company

No. 2, Janney Montgomery Scott, J.P. Morgan, Company No. 4, and UBS Financial Services, Inc. (formerly Paine Webber). WHITE told others of his plan to keep his "network" limited, so that he could assure that he could deliver for the companies in his "network" and then get benefits in return.

60. The rewards WHITE sought and obtained from his "network" included legal fees and retainers, additional printing work for RPC, contributions to a charitable organization created by WHITE called the Youth Leadership Foundation ("YLF"), contributions to WHITE's alma mater, Wesleyan University, for a scholarship WHITE established in his own name, loans offered to WHITE and persons close to WHITE without consideration of ordinary underwriting requirements, and contributions to political candidates favored by WHITE, including the Mayor of Philadelphia and a candidate for national office. WHITE also accepted political contributions through two political action committees ("PACs") he controlled, Citizen's Watch 2000 and Citizen's Action. WHITE used his PACs to allow his benefactors to conceal from public scrutiny the support they were giving to public officials who benefitted them; he explained to the benefactors that they could make contributions to the PACs, which in turn gave the money to the public officials.

61. With respect to political contributions, WHITE made clear to others that he acted not solely out of political conviction but also to benefit candidates he believed would deliver benefits for himself and his benefactors. For instance, in a

conversation with another political fundraiser on or about September 24, 2003, WHITE stated, "me and you need to talk about contingency plans, you know what I mean, cause we both got too much invested in this to blow." WHITE's friend asked, "you mean in this deal or John?," referring to the Mayor of Philadelphia. WHITE replied, "the whole thing, man, you know I don't care about none of this s---, man, none of this politics s--- means nothing to me. What we want to do is, we business people, we want to protect our f---ing investment, and we need to talk about how we gonna do that . . . if John loses."

62. In part as a result of his influence over KEMP's decisions, WHITE procured, among other rewards, substantial and lucrative payments and contributions described below.

a. <u>Commerce Bank</u>.

63. WHITE directed KEMP to take action on Commerce Bank's behalf, and participated in the actions of Commerce Bank and defendants GLENN K. HOLCK and STEPHEN M. UMBRELL, described in paragraphs 169 to 229 below, in extending preferential treatment to KEMP in exchange for the benefits afforded to Commerce Bank by KEMP.

64. WHITE benefitted from his assistance to Commerce Bank. Commerce Bank put defendant RONALD A. WHITE on its board in 2002, and beginning at least as early as 2000, paid him a monthly retainer plus additional legal fees. The retainer, which Commerce booked as consulting fees, began at $10,000 per month in 2000, and increased

to $15,000 per month by 2001. Commerce paid WHITE at least $182,000 in 2002 alone. Commerce also contributed $25,000 to YLF in April/May 2003, and gave $25,000 to the Mayor's campaign on or about August 14, 2001, and another $25,000 to the Mayor's campaign on or about May 10, 2002. WHITE, in turn, delivered, repeatedly promoting Commerce to defendant COREY KEMP. Of 40 investment banks used by the City in bond deals during the three fiscal years beginning July 1, 2000, Commerce Capital Markets earned more in fees -- $1,553,131 -- than all but two.

65. As further compensation to WHITE, WHITE obtained loans from Commerce Bank for himself and for persons close to WHITE with the approval of defendants GLENN K. HOLCK and/or STEPHEN M. UMBRELL and without consideration of ordinary underwriting requirements.

1. Car loan to JANICE RENEE KNIGHT/RPC Unlimited, Inc.

66. For example, WHITE sought and obtained immediate approval from Commerce Bank for an automobile loan for defendant JANICE RENEE KNIGHT/RPC Unlimited, Inc. that another lender had previously rejected because of KNIGHT's poor credit history. On or about Friday evening, August 15, 2003, defendant KNIGHT told WHITE that she could not get a car lease on a 2003 Toyota Camry LE because of her credit rating. WHITE responded, "we have to do it through Commerce then."

67. On or about Monday, August 18, 2003 at approximately 9:09 a.m., WHITE told UMBRELL that JANICE RENEE KNIGHT had been denied a car lease

because of her credit and said, "I need you to take over the lease . . . . I need you to call the car company this morning and let them know that you are going to take it over." By approximately 1:20 p.m., UMBRELL told WHITE, "I already sent the approval over [to the car dealership] so they are doing whatever they have to do to get the car delivered." Later that afternoon, HOLCK told WHITE that he had talked to UMBRELL, and asked WHITE whether UMBRELL had taken care of the lease for KNIGHT. WHITE told HOLCK that "we took care of that."

68. In fact, on August 18, 2003, Commerce Bank provided a $20,385.84 car loan to RPC Unlimited, Inc. (with the personal guarantee of KNIGHT). However, the Commerce Bank underwriting documents were not prepared until a week later, on or about August 25, 2003. UMBRELL signed and backdated the approval to August 17, 2003, a day before WHITE had asked UMBRELL for the KNIGHT loan.

2. <u>Line of Credit for A.H.</u>

69. Another example of WHITE's ability to get Commerce Bank to approve a loan request for others occurred when WHITE sought to get a line of credit for A.H., a person close to WHITE who previously worked for WHITE's law firm, so that A.H. could purchase carts for a soft pretzel concession.

70. On or about March 24, 2003, WHITE told A.H. that he would send A.H. to Commerce Bank and WHITE would get A.H. a $15,000 line of credit to buy the carts. WHITE said, "just call STEVE UMBRELL and tell him that I told you to call."

About two weeks later, on or about April 7, 2003, UMBRELL told WHITE that he had spoken to A.H. and that A.H. had told UMBRELL that the line of credit was for the purpose of buying equipment. UMBRELL told WHITE, "you don't buy equipment with a line of credit."

71. After more than a month passed, A.H. asked WHITE to call UMBRELL to find out the status of the request for the line of credit. On or about May 21, 2003, WHITE asked UMBRELL about A.H. UMBRELL replied, "it's done, I thought that should be done . . . I'll take care of it today." On or about Thursday, May 22, 2003, WHITE again asked UMBRELL, "did you take care of [A.H.]?" UMBRELL replied, "done . . . I think he closes Friday." During this same conversation, UMBRELL told WHITE that he wanted to bring him "up to speed" about Commerce Bank's interest in an upcoming request for proposals for the NTI line of credit, as described in paragraphs 187 to 209 below.

72. On or about May 23, 2003, Commerce Bank issued a $15,000 line of credit to A.H. The loan documents misrepresented the purpose of this line of credit as for "home improvement," not for the purchase of business equipment as UMBRELL well knew.

3. Line of Credit for L.R.

73. In the summer of 2003, WHITE similarly assisted L.R. in obtaining a line of credit from Commerce Bank. At the time, WHITE expected L.R. to make an official recommendation to award a potentially lucrative government contract to a firm affiliated with WHITE.

74. On or about August 26, 2003 at 9:15 a.m., L.R. told WHITE, "I never heard from STEVE UMBRELL and, to be honest with you, I am getting a little desperate." WHITE replied, "let me call him up."

75. About 15 minutes later, WHITE told UMBRELL, "I got a call . . . a panicked call from [L.R.], remember I sent him over there . . . . Whatever happened with that?" UMBRELL replied, "I signed it, and I told Glenn [HOLCK] to read it because it's a little weird deal . . . and I need to bring him up to date on it. He has it; we talked about it yesterday. The guy does not have any collateral . . . except for these . . . they are not even receivables, they are retainers . . . . You want this loan done?" WHITE said, "yeah, this is very important." UMBRELL asked WHITE, "if it gets delinquent, you will help me collect it?" WHITE said, "oh, yeah." UMBRELL responded, "all right, you got it." WHITE asked UMBRELL to call L.R. UMBRELL agreed to do so.

76. WHITE immediately called L.R. and told him that UMBRELL would be calling. WHITE told L.R. that UMBRELL "said he approved it, and he was just

waiting for Glenn [HOLCK] to sign off on it." L.R. told WHITE, "okay, thanks, that's a load off of my mind; I appreciate it."

77. On or about September 3, 2003, Commerce Bank issued a $150,000 line of credit to L.R. Two days later, L.R. spoke with WHITE and said, "I just wanted to thank you; they closed on the loans, so I appreciate it."

4. <u>Mortgage Loans to WHITE</u>.

78. WHITE obtained for himself loans from Commerce Bank to finance his purchase of a $1.3 million second home in Naples, Florida. Commerce Bank approved the mortgage loans for 90% of the purchase price without verifying WHITE's assets and liabilities, and thus did not uncover that WHITE did not have enough cash for his required down payment and closing costs and had to secretly borrow the funds from his accountant and from LA-VAN HAWKINS,

79. On or about August 4, 2003, WHITE told HOLCK that he was interested in buying a home in Naples, Florida and that he would need 90% financing from Commerce Bank. HOLCK said that "I think if I hold it, that's fine; the thing that I just have to be careful of is as a Director . . . are we doing anything that we wouldn't ordinarily do."

80. On or about August 8, 2003, WHITE made an offer of $1,300,000 to purchase a home in Naples, Florida, contingent upon WHITE obtaining a mortgage.

81. On or about August 12, 2003, HOLCK told WHITE that he saw the Chief Executive Officer of Commerce Bancorp, Inc., spoke about WHITE's mortgage request, and "[the Chief Executive Officer] said to just do it." WHITE told HOLCK that he "needed to get this done fast."

82. On or about August 13, 2003, WHITE entered into an agreement of sale to purchase a home in Naples, Florida for $1,300,000. WHITE wrote a check from his Commerce Bank account for $30,000 as an initial deposit. A second deposit of $100,000 was due within ten days. At the time that WHITE wrote the $30,000 check, he did not have sufficient funds in his account to cover the check.

83. On or about August 13, 2003, WHITE told LA-VAN HAWKINS that he needed to borrow money for the house he was buying in Florida. WHITE said, "they signed that agreement of sale . . . so I got to send them 130 grand; I just was short on the cash." On or about August 14, 2003, HAWKINS loaned WHITE $25,000 by causing a wire transfer from an account HAWKINS controlled to be sent to WHITE's Commerce Bank account. WHITE needed this loan from HAWKINS to cover at least part of the initial deposit for the purchase of the Naples, Florida house.

84. On or about August 21, 2003, HOLCK told WHITE that "I have your approval for Florida." In a telephone call later that same day, HOLCK told WHITE that "we're going to do an 80% first mortgage and a 10% second mortgage . . . because I can't

waive PMI [mortgage insurance] because we never waive it and if I waive it for a Director, it will raise flags."

85. On or about August 22, 2003, WHITE submitted a signed copy of the mortgage commitment letter to Commerce Bank, in which WHITE stated that he "expressly understood and agreed that [he would] not assume any other debt or obligation in connection with this transaction."

86. On or about August 28, 2003, WHITE borrowed $30,000 to have sufficient funds for the second deposit required for the purchase of the Naples, Florida home. WHITE obtained this money from his accountant, who wrote a check out of the account of a trust of which the accountant was an executor. WHITE deposited this check into his account at Commerce Bank.

87. On or about August 28, 2003, WHITE submitted a Residential Loan Application to Commerce Bank in which he declared and certified as true and correct under penalty of federal criminal law that the source of the down payment and settlement charges was from his savings and that he had not borrowed any of the down payment, knowing that these statements were false.

88. On or about September 8, 2003, WHITE caused a $100,000 wire transfer from his account at Commerce Bank to a title company in Florida to make the second deposit for the purchase of the Naples, Florida home.

89. On or about September 10, 2003, WHITE again submitted a signed copy of the commitment letter to Commerce Bank, in which WHITE again stated that he "expressly understood and agreed that [he would] not assume any other debt or obligation in connection with this transaction."

90. On or about October 1, 2003, WHITE told his accountant that "what I need you to do, if you can, this is very important to me, is if you can just let me borrow that from the trust [to close on the purchase of his house in Florida] and I will put it right back." WHITE said, "I need a hundred and ten." On or about October 1, 2003, WHITE borrowed $110,000 from the trust of which the accountant was the executor to cover the settlement charges for the purchase of the Naples, Florida home. WHITE deposited this check into his account at Commerce Bank.

91. On or about October 10, 2003, WHITE caused a $25,099.36 wire transfer from his account at Commerce Bank to a title company in Florida to pay the settlement charges for the purchase of the Naples, Florida home.

92. On or about October 10, 2003, WHITE completed the purchase of the Naples, Florida home. Commerce Bank, with the approval of UMBRELL, HOLCK, and the Chief Executive Officer of Commerce Bancorp, Inc., loaned WHITE a total of $1,170,000, consisting of a first mortgage of $1,040,000 and a second mortgage of $130,000.

93. On or about October 10, 2003, WHITE again submitted a Residential Loan Application to Commerce Bank in which he again declared and certified as true and correct under penalty of federal criminal law that the source of the down payment and settlement charges was from his savings and that he had not borrowed any of the down payment, knowing that these statements were false.

94. At no time did UMBRELL, HOLCK, or anyone else at Commerce Bank attempt to verify whether or not the checks from the trust or the wire transfer from an account HAWKINS controlled, all of which were deposited into WHITE's account at Commerce Bank in August and October 2003, represented undisclosed loans to WHITE that were used to pay all or part of the down payment and settlement costs. Commerce Bank made the loans to WHITE without engaging in ordinary underwriting, which would have entailed a verification of the borrower's assets, including verification of all deposits and bank statements covering a two-month period, and obtaining a satisfactory explanation and documentation for large deposits. The bank failed to perform such underwriting even though WHITE's deposit accounts were located at Commerce Bank itself.

b. <u>Company No. 2</u>.

95. Defendant RONALD A. WHITE also advocated on behalf of and received benefits from Company No. 2, a financial services firm. Company No. 2 retained WHITE as a consultant, paying him a $5,000 retainer in April 2001. Its

president donated $5,000 each time to the Mayor's campaign in December 2000, November 2002, and June 2003, and gave another $5,000 to WHITE's Citizen's Action PAC on or about April 4, 2003. Company No. 2 also provided WHITE with three tickets to the Super Bowl held in San Diego, California on January 26, 2003, at a cost to Company No. 2 of $3,500 per ticket, and provided WHITE with four tickets to the USA vs. Puerto Rico basketball game held at Madison Square Garden in New York City on August 17, 2003, at a cost to Company No. 2 of $175 per ticket.

96. With the advocacy of defendants COREY KEMP and WHITE, Company No. 2 was hired to participate in a Philadelphia airport bond deal which closed on or about April 24, 2002, earning the company $240,000, and on a Water Department bond deal which closed on or about December 5, 2002, earning the company $25,000. At WHITE and KEMP's behest, Company No. 2 also was retained as a consultant to the City for its swap transactions, at a cost to the City of $150,000 for the year beginning July 1, 2003.

97. On or about February 11, 2003, KEMP, who had recently attended the Super Bowl with a ticket provided by Company No. 2, informed WHITE that the Finance Director had agreed "to move fast forward" on the Company No. 2 swap agreement, and "she told me to start negotiating." KEMP then, in violation of his duty of honest services and with the intent to benefit WHITE and Company No. 2, gave away any negotiating leverage he had. He told WHITE, "she wants to be at 150, so how do you want me to

handle it, I can either let you call them first or I can just call them and start negotiating with them." WHITE said he would call first to tell them that the contract would be for $150,000, "cause I think in order for you to look good you need to come back and give her what she wants." KEMP replied, "I'm not going to call them until you say, OK, call."

98. The next morning, WHITE followed through and called a vice-president of Company No. 2, telling him, "the fee on that thing you proposing has got to be 150." The executive said, "fine." WHITE said, "they gonna call you today . . . COREY's gonna call you."

99. On or about March 27, 2003, at 12:36 p.m., KEMP called WHITE to inform him that Company No. 2 was being hired for $150,000 per year to "manage the swaps" beginning on July 1, the beginning of a new fiscal year. WHITE then invited KEMP to join him and defendant JANICE RENEE KNIGHT for lunch at the Bleu restaurant on Rittenhouse Square, and KEMP accepted.

100. On or about May 5, 2003, KEMP told WHITE that Company No. 2 had won final approval for the contract. WHITE said he would call, then asked if KEMP had called already. KEMP said he had not, and "I want you to make that call." The next day, before calling Company No. 2, KEMP said, "you told me that you wanted me to say something to [Company No. 2's president], what was that?" WHITE said, "I need you to let him know that there ain't nothing happening without them talking to me." KEMP said, "okay." WHITE said, "you tell him that I've been carrying his water, you know you

can just say you know you guys have a hell of an advocate in Ron White, cause he been in here banging for you guys, you know what I mean?" KEMP said, "right." WHITE said, "and I can tell you this, if he ain't for it, it ain't gonna get done." KEMP said, "okay."

c. <u>Janney Montgomery Scott</u>.

101. Defendant RONALD A. WHITE also advocated on behalf of and received benefits from Janney Montgomery Scott. Its representative DENIS CARLSON (charged elsewhere in this indictment) contributed $10,000 per year to YLF, and gave, and arranged for two other Janney executives to give, a total of $5,000 to WHITE's Citizen's Action PAC on or about April 18, 2002. With WHITE and defendant COREY KEMP's assistance, Janney was selected as an underwriter on the 2003 general obligation bond deal for which it earned $221,340.

d. <u>J.P. Morgan</u>.

102. Defendant RONALD A. WHITE also advocated on behalf of and received benefits from J.P. Morgan. J.P. Morgan donated $20,000 to the "Ronald A. White Scholarship" at his alma mater, Wesleyan University, on or about February 26, 2002, donated $35,000 to YLF on or about July 18, 2002, and donated another $35,000 to YLF on or about September 25, 2003. J.P. Morgan also used WHITE's legal assistance on a few deals in 2002, paying him $25,000 in one.

103. To cultivate WHITE's assistance, the two J.P. Morgan representatives who were in charge of developing business for the firm in Philadelphia, Vice-President

ANTHONY C. SNELL, and his supervisor, CHARLES LeCROY, the Managing Director in the Southeast Region of the J.P. Morgan Department of Public Finance (both charged elsewhere in this indictment), arranged for WHITE to receive $50,000 from J.P. Morgan for work WHITE did not perform. LeCROY and SNELL, with WHITE's knowledge, took this step in violation of municipal securities regulations and their employer's intent and policies, by misrepresenting to J.P. Morgan that this work actually had been performed.

104. Specifically, on or about April 4, 2003, SNELL approached WHITE at the Philadelphia Four Seasons Hotel and briefly spoke to WHITE. Shortly thereafter, WHITE, sounding confused, called an attorney in his firm and asked, "were we the underwriter or something for the School District of Mobile, Alabama for J.P. Morgan?" The attorney replied, "no, we have never done anything for them." WHITE said, "I sort of, Anthony, he asked us to give him an invoice for $50,000 for that." The attorney, sounding equally surprised, asked, "for Mobile, Alabama?" WHITE replied, "yeah, the school district, did we do a school district for them?" The attorney said, "no, we didn't do anything for Mobile, Alabama."

105. On or about April 4, 2003 at 1:17 p.m., SNELL went to WHITE's office. WHITE was not there, and WHITE's secretary called him on the phone and put SNELL on. SNELL said, "sorry for interrupting your breakfast this morning but I wanted to get that to you, I had just, Charles and I had been talking about that and he just gave me

the approval on that." WHITE asked, "okay, what is that?" SNELL replied, "that's just for a deal that we were trying to get you guys in as underwriter's counsel, and we were not able to get you in as underwriter's counsel, so we just decided to just have you guys as counsel to the underwriter, and the deal is done, and we just need an invoice from you." WHITE said, "okay, that's good." WHITE then told SNELL to have WHITE's staff make an invoice.

106. The invoice, directed from WHITE's firm to CHARLES LeCROY and ANTHONY SNELL at J.P. Morgan, was dated April 8, 2003, and referenced the "$121,550,000 Mobile County, Alabama, Limited Obligation School Warrants, Series 2003," and billed $50,000 "for professional services rendered as special counsel to the underwriter." That work was never performed.

107. LeCROY's supervisor approved the payment of WHITE's bill, after LeCROY falsely assured him that WHITE had performed as special counsel in the Mobile transaction. On or about May 30, 2003, J.P. Morgan transferred $50,000 by wire from its account at Chase Manhattan Bank in Tampa, Florida, to the RONALD A. WHITE, P.C. corporate account at Commerce Bank in Philadelphia.

108. The true purpose of the $50,000 payment to WHITE was to secure his assistance as a consultant in obtaining business for J.P. Morgan in Philadelphia. This payment, as WHITE, LeCROY, and SNELL knew, was unlawful without, among other things, a written contract with WHITE and the disclosure of the consultant relationship,

as required by the municipal securities regulations. Further, as WHITE, LeCROY, and SNELL also knew, J.P. Morgan had previously decided not to enter into a consultant relationship with WHITE, and wished only to retain his legal services for particular deals.

109. J.P. Morgan, which prior to its relationship with WHITE had received scant business in Philadelphia, with WHITE and defendant COREY KEMP's advocacy, received assignments to bond deals. A significant reward came in December 2003, when it received $423,963 as senior manager on a Philadelphia Municipal Authority deal on which KEMP, at WHITE's direction, placed it.

b. Company No. 4.

110. Company No. 4, an underwriting firm, gave $10,000 in 2001 and again in 2002 to YLF. It contributed $2,500 to the "Ronald A. White Scholarship" at Wesleyan University on or about February 9, 1999, then $5,000 more on or about May 5, 2000, and $5,000 on or about January 17, 2001. Company No. 4 gave $5,000 to WHITE's Citizen's Action PAC on or about October 29, 2001. Also, at defendant RONALD A. WHITE's behest, the chairman of Company No. 4 and his wife gave at least $4,000 to the campaign of a national politician in 2003.

111. In April 2003, Company No. 4 retained WHITE's assistance to specifically advocate on its behalf to be appointed a senior or co-senior underwriter on Philadelphia bond deals. The chief executive officer of Company No. 4 and WHITE agreed that Company No. 4 would pay $5,000 per month for this service, but to disguise

WHITE's influence, they agreed to pay the money to Renee Enterprises, a shell company nominally controlled by defendant JANICE RENEE KNIGHT. KNIGHT, on behalf of Renee Enterprises, entered a contract with Company No. 4 in or about April 2003 to "among other things, provide consulting, and strategic advice to [Company No. 4] in its endeavors to do business with the public sector." Renee Enterprises had been certified by the City's Minority Business Enterprise Council as a food and vending concessionaire. Neither it nor KNIGHT had any financial experience or certification of any kind.

112. WHITE subsequently directed defendant COREY KEMP to select Company No. 4 for various deals, including the spot of co-senior manager on the 2003 TRAN bond issuance, for which Company No. 4 earned $60,985 in fees, and the Philadelphia 2003 general obligation bond, for which Company No. 4 earned $236,809 as an underwriter.

f. <u>UBS Financial Services, Inc.</u>

113. UBS Financial Services, Inc., formerly known as Paine Webber ("UBS"), an underwriting firm with an office in Philadelphia, gave $20,000 in 2002, and $20,000 in 2003 to YLF at defendant RONALD A. WHITE's behest. Also, at WHITE's behest, UBS hired RPC Unlimited, Inc. to do more than $10,000 in printing work on financial transactions. In 2003, WHITE exploited his corrupt relationship with KEMP, instructing KEMP to select or recommend UBS for participation in several City-related financial transactions.

114. In the first half of 2003, the State of Pennsylvania's Public School Building Authority was preparing to issue approximately $588 million in debt to fund Philadelphia School District construction projects and was assembling a team to issue the bonds. WHITE instructed KEMP to tell a representative of the Philadelphia School Reform Commission to select UBS to participate in the transaction. Specifically, on or about April 3, 2003, WHITE told KEMP that he needed to place UBS as a co-manager on the School District deal. On or about April 9 and 10, 2003, KEMP repeatedly promised WHITE that he would call officials of the Philadelphia School Reform Commission. UBS was selected to participate as a co-manager on the transaction. The School District bonds were issued on or about September 10, 2003, for which UBS received a fee of $101,691.

115. In early 2003, WHITE instructed KEMP to recommend that UBS be included as a co-senior manager on a $215 million bond offering by the Philadelphia Municipal Authority scheduled to close in late 2003. In a conversation on or about April 28, 2003, WHITE stated to KEMP that UBS was one of the companies WHITE wished to include in the transaction. KEMP complied with WHITE's direction and made the recommendation. UBS was selected to participate as a co-senior underwriter on the transaction. On or about December 16, 2003, the transaction closed and UBS received fees of $103,248.

116. On or about May 6, 2003, KEMP informed WHITE that he would recommend to his superiors that UBS be selected to participate in the City's 2003 general obligation ("GO") bond issuance. KEMP agreed to make the recommendation in a manner that would not disclose to his superiors that he was taking direction from WHITE. On or about June 18, 2003, KEMP, as he had promised WHITE he would, recommended to his superiors that UBS be included in the GO deal. KEMP provided WHITE with the proposed GO team so that WHITE could press City officials to include UBS. WHITE did not prevail and another firm was selected. When WHITE told a representative of UBS that City officials had not selected UBS to participate in the GO, WHITE stated that City officials "owe[d]" UBS and that they would select UBS to participate in at least two other City financial transactions.

117. On or about June 19, 2003, KEMP told WHITE that he had successfully recommended the selection of UBS to be the co-senior manager on the $33 million Tasker Homes housing development transaction. Before notifying UBS of its selection, KEMP told WHITE of UBS's selection and sought WHITE's permission to inform UBS. After speaking with WHITE, KEMP notified a representative of UBS of the firm's selection as an underwriter on the transaction.

iv. <u>Deception of Aslam Kahn</u>.

118. In May 2003, in violation of his duty of honest services, defendant COREY KEMP traveled to New York City to play a fictitious role at a business meeting conducted by defendants RONALD A. WHITE and LA-VAN HAWKINS. The purpose was to deceive a person with whom HAWKINS wished to do business into believing that HAWKINS had the available funds to engage in the transaction.

119. In or about April 2003, HAWKINS discussed with WHITE a new venture to gain control of nearly 100 Church's Fried Chicken outlets. HAWKINS had long been involved in the fast food business. On or about April 21, 2003, HAWKINS explained to WHITE that his sale of Pizza Hut restaurants was almost finished, but "I have maneuvered a deal, man." He said he was seeking to purchase the Church's franchises located in Detroit and Chicago. He stated that he expected the purchase price of these franchises to be $20-22 million. HAWKINS' plan was to assist one of the partners who owned the franchises to buy out his other partners, and then join HAWKINS and WHITE in a new partnership. HAWKINS told WHITE that if this deal can "go down" they would "need to run into your pension fund right fast," referring to the Philadelphia pension fund over which WHITE purported to have control. WHITE asked, "why would you do that?" HAWKINS replied it was because "me and you would make a ton of money once we bought the whole thing" by reselling the franchised stores to the

company itself. HAWKINS said they could make "$4-5 million in a six-month transition."

120. On or about May 2, 2003, HAWKINS said to WHITE, "now dig this, man, as a part of what me and you talked about, let me tell you this, I'm going to send you the numbers this afternoon, okay, on this other Church's deal so that you can send them to your boy [a Philadelphia pension official], because as a part of that I'm going to need you to have [him] to come to New York on Wednesday to meet with my guy who I'm getting these stores from, you know what I'm saying?" WHITE said, "okay, well, if he can't do it, I'll just bring Corey, either one of them would be good." HAWKINS said, "absolutely."

121. On or about May 6, 2003, HAWKINS telephoned WHITE and made arrangements for the New York meeting. In part, HAWKINS said, "don't forget, man, that we got that meeting set up for 2:00 on Thursday." WHITE replied, "what meeting?" HAWKINS said, "the meeting that I told you that I needed you to have Corey at for my guy. [T]he deal that we buying, Chicago, Detroit, and that, and all my boy Corey want to talk about, you know is that, you know, I just need to keep this guy in the hole, so you know what I'm saying, I'm talking that we going to be getting 20 million."

122. After speaking to HAWKINS, WHITE spoke to KEMP. WHITE said, "I'm glad you called, I need to talk to you, can you be in New York at 2 Thursday,

it's important." KEMP muttered, "2 o'clock on Thursday," then paused, then said, "yeah, I can be there," without asking WHITE why he should go.

123. The person HAWKINS wanted to keep "in the hole," thinking that HAWKINS had money to carry forward on the deal, was Aslam Kahn. Kahn controlled Church's restaurants which Kahn estimated to be worth $40 million. Kahn met with HAWKINS in Detroit in or about April 2003, where HAWKINS gave Kahn the impression that HAWKINS had recently sold Pizza Hut restaurants and wished to use the proceeds to buy Kahn's restaurants.

124. On or about May 8, 2003, beginning at approximately 5:40 p.m., HAWKINS met with Aslam Kahn in HAWKINS' suite number 34A at the Waldorf-Astoria Towers in New York City to continue to discuss a sale of Kahn's restaurants. The meeting was monitored pursuant to judicial authorization. HAWKINS falsely told Kahn that the state had given HAWKINS $100 million to make a deal to buy the Church's franchises. HAWKINS then placed a call and invited the recipient of the call to his room and provided his room number. HAWKINS then told Kahn that "Ron" handles all of the bonds and the pensions for the City of Philadelphia. Minutes after the telephone call, WHITE and KEMP arrived at Room 34A. HAWKINS introduced WHITE to Kahn, and WHITE introduced KEMP as a friend and the Treasurer of the City of Philadelphia.

125. HAWKINS addressed the acquisition of the Church's Chicken franchises. HAWKINS said that after completing the purchase to buy out Kahn's

partners, they would flip the stores to the parent company. Kahn then detailed his involvement in this business.

126. KEMP then played his role. He said that he was "speaking on behalf of the administration," which he said was very receptive to the idea of development of Church's restaurants as part of the revitalization of Philadelphia neighborhoods. KEMP also extolled HAWKINS' experience in helping urban areas, saying, "once we heard that La-Van was a part of this, we were very receptive, and we will do whatever we can it's in our power in the City administration to help this loan." KEMP said that the City had "$3 billion in pension funds" which could be used, and "we can help in terms of subsidizing to help you guys get started."

127. As KEMP continued to talk about the goal of developing restaurants in Philadelphia, HAWKINS intervened to clarify that his immediate goal was to purchase Kahn's existing restaurants elsewhere, then later expand into Philadelphia. He said he needed to raise $40 million immediately, "then go into Philadelphia tomorrow." He said: "what I'm looking for from y'all, from Philadelphia is $40 million, and the state." Later, KEMP said, "I definitely like what I've heard, and I'm definitely gonna take this back." In essence, HAWKINS and KEMP (with WHITE also seated at the table) staged a dramatic performance for Kahn's behalf, to keep Kahn in negotiations with HAWKINS while HAWKINS scrambled for actual financing to buy Kahn's restaurants. In truth,

KEMP had no involvement in the City pension fund nor any authority to participate in this meeting in any way.

128. The next morning, May 9, 2003, at 7:21 a.m., KEMP, who had returned to Philadelphia, spoke on the telephone to WHITE, who had remained in New York. Speaking about the previous day, KEMP said, "that was fun . . . that was a good day." They then, as was their custom, discussed KEMP's work for the day. KEMP said he planned to work on a Philadelphia Municipal Authority deal, and WHITE asked KEMP to check on another deal being led by Janney Montgomery Scott.

v. Attempt to extort Darric Boyd.

129. During the spring and summer of 2003, defendants COREY KEMP and RONALD A. WHITE engaged in an effort to extort Darric Boyd, an investment broker at Legg Mason, Inc. in Baltimore, Maryland. When WHITE and KEMP learned that Boyd was interested in obtaining City of Philadelphia business, they acted quickly to try to extract from Boyd his assistance in getting work in Baltimore for WHITE and for KNIGHT's printing company, RPC, and later demanded a campaign contribution to the Mayor of Philadelphia. When Boyd did not deliver, KEMP summarily denied his request for business in Philadelphia. In violation of KEMP's duty of honest services, rather than evaluating Boyd's request on its merits, he made his decision based on whether Boyd would agree to benefit WHITE's interests.

130. In or about February 2003, Boyd made a "cold call" to KEMP, hoping he could develop business for Legg Mason in handling investments of City of Philadelphia cash. Boyd acted as a commissioned salesperson in trying to gain investments for Legg Mason to manage; the actual investing was handled by other employees.

131. Boyd met KEMP for lunch twice at the Capital Grille in Philadelphia, between February and April 2003. Boyd paid for the meals. KEMP mentioned that $300 million in City funds would be available in late June or early July. Legg Mason then submitted a proposal for handling a portion of the funds.

132. Almost immediately after meeting Boyd, KEMP talked to WHITE about how they could exploit Boyd's contacts, most notably Boyd's mother, who was the former City Treasurer of Baltimore, to gain business for WHITE and RPC in Baltimore. KEMP then went to work essentially as WHITE's agent in seeking Boyd's assistance; KEMP played this role because he held the leverage over Boyd of control of the City funds Boyd wanted for investment.

133. On or about March 28, 2003, KEMP stated that he planned to meet with Boyd and Boyd's mother the following week. KEMP added, "once we talk to him we gotta determine how you want me to approach his mom, you know, if we can try to trade some stuff." WHITE said, "first you have to find out what her capacity is and what her scope of authority is." KEMP said, "how much control she has . . . I don't know how

many bond deals they do, cause really you probably want to focus on getting some pensions and stuff like that." WHITE said, "yeah, bond deals." KEMP added, "you probably want to look at some hedge funds too, right." WHITE responded, "yeah, something like that, that's what I'm pushing now." At the time, WHITE was endeavoring not only to get more bond work, but to benefit a hedge fund controlled by a person known to the grand jury who was WHITE's largest contributor to the Mayor's reelection campaign.

134. On or about April 3, 2003, Boyd and KEMP had their second lunch meeting, and KEMP suggested that Boyd needed to meet WHITE. KEMP said WHITE was a high-powered attorney who was close to the Mayor. KEMP walked Boyd to WHITE's office, where the three men had a brief conversation.

135. At 3:56 p.m. on the same day, KEMP called WHITE to tell him that Boyd had called back, and said he spoke to his mother about the RPC printing company and she said all they needed to do was send down a promotional package. KEMP said if WHITE sent the package to him, he would forward it. WHITE said he would have it hand delivered immediately. Later that afternoon, at 4:53 p.m., WHITE called his paramour, defendant JANICE RENEE KNIGHT, the nominal owner of RPC, and said, "guess what? Today me and Corey met with this guy from Baltimore whose mom is the treasurer, or she is like something like the treasurer of Baltimore but she is over all the bond stuff . . . . I said well, what does your mom have control over and whatever, so the

guy goes back to Baltimore, one of the things that I told him that I was interested in was the printing, right, he goes back to Baltimore, he called me back this afternoon and said we can do the printing, that is a slam dunk, he said, send us the brochure." WHITE said he just "sent over to Corey the thing for him to send down there."

136. On or about April 8, 2003, WHITE and KEMP discussed KEMP's plan to meet with Boyd and his mother in Baltimore on April 11. KEMP said he would "get the gist of what she controls, yeah, we're gonna talk about RPC on Friday, also, I think we'll be able to do something down there." WHITE then stated that he and KEMP could direct City investment money to Boyd in exchange for business for WHITE and RPC in Baltimore.

137. On or about April 11, 2003, at 11:30 a.m., as KEMP was meeting with Boyd in Baltimore, WHITE called KEMP. KEMP asked WHITE to send him more RPC packets for Boyd. At 2:19 p.m., after the meeting ended, KEMP reported to WHITE, "we should be able to do some good stuff down here in Baltimore." He said he met with Boyd's mother, and "that was good, that was good, we should be able to get something . . . they said they got a lot of different places they could use RPC down here, more than just bond work."

138. In a conversation on or about May 5, 2003, WHITE and KEMP again made explicit the quid pro quo nature of their extortionate dealings with Boyd. KEMP told WHITE that he "talked with the guys in Baltimore today, Janice [Renee Knight]

should be getting a call pretty soon on two sides, one, they should be doing, what he said they should be doing the next deal down there and then he has another guy." WHITE then asked, "what was we supposed to do for him?," referring to Boyd. KEMP replied, "investments." KEMP said, "I sent him the RFP [request for proposal] so he could get me the proper information, he said that should be back to me sometime next week, so we can't do nothing until we get the information back and he knows that." WHITE said, "okay." KEMP added, "I told him it would be nice, you know, you know, to show that you guys ain't, you ain't joking to get us some business down there before we even can get, you know, you know what I mean." WHITE again said, "okay."

139. During the ensuing months, KEMP continued his aggressive efforts on WHITE's behalf, referring not only to obtaining business through Boyd and Boyd's mother for RPC but also for the hedge fund WHITE promoted. KEMP arranged for both WHITE and KNIGHT to meet with Boyd and others in Baltimore. All arrangements for WHITE and KNIGHT were made through KEMP.

140. On or about July 7, 2003, KNIGHT attended meetings in Baltimore that Boyd, at KEMP's instigation, had arranged for her to try to get work for RPC. The next morning, WHITE reported to KEMP that Boyd's political connections were not good, and "they ain't in no position to do nothing." KEMP then said, "I'm holding on to his stuff, I didn't even look at it yet, I'm just gonna wait until you say." This was a reference to the proposal Boyd had submitted to manage a portion of the City's cash.

WHITE said, "well, I think I'll probably meet with him at some point then we'll decide, but I mean, we'll see."

141. By August 5, 2003, Boyd was tiring of his thus-far unsuccessful efforts to develop business in Philadelphia. On that date, KEMP told him to call WHITE, which Boyd found very unusual. At 2:38 p.m., Boyd called WHITE. He reminded WHITE about his efforts for KNIGHT. He then said that KEMP told him to call WHITE about the investment of $360 million in cash management funds. Boyd said that he had sent KEMP his proposal, but KEMP said to call WHITE "to see about the next step." WHITE said he would check with KEMP and get back to Boyd.

142. On or about August 5, 2003 at 4:59 p.m., Boyd called KEMP and said he finally reached WHITE. He said that WHITE said he would call KEMP regarding the cash investment. KEMP said, "OK." Boyd then nervously laughed, "I don't know what that means." Boyd then discussed his efforts to introduce WHITE to people in Baltimore. KEMP stated, "so he should be calling me sometime soon then." Boyd replied, "I was hoping he had already called you" to say to approve the investment. KEMP then stated, "he's got to call across the street. I mean I don't take my directions from him, he's outside government." That was not true.

143. An unrelated development then accelerated the extortion attempt. At 5:07 p.m., as Boyd and KEMP were finishing their conversation, WHITE was discussing with a political contributor a fundraising breakfast scheduled for the next morning with

the Mayor. WHITE stated that one person who was scheduled to attend the fundraiser could not attend. WHITE, apparently thinking of Boyd because of their conversation two hours earlier as someone who might fill the space, then called KEMP.

144. At 5:13 p.m., KEMP called Boyd. He said, "I just got that call, man. He was saying that he was wanting to get you to see the Mayor. Actually he told me to tell you to call him because he's meeting with the Mayor tomorrow, he has a breakfast or something." KEMP told Boyd to call WHITE.

145. Boyd called WHITE at 5:16 p.m. WHITE offered Boyd the opportunity to have breakfast with the Mayor, and asked for a contribution of $5,000 to the Mayor's reelection campaign in exchange. Boyd was shocked by this request, and did not directly respond. WHITE then said, "well look, Darric, I ain't got a whole lot of time to do all that, like, one, it's going to be rare where you get a meeting with four people with him, so you know, I just thought you might be interested in doing that, so I mean either you can do it, or you can't." Boyd declined.

146. At 6:34 p.m., WHITE spoke to KEMP. WHITE reported, "Darric ain't, definitely ain't what we need him to be, you know what I mean?" The next morning, on August 6, 2003, at 7:34 a.m., WHITE and KEMP decided to cut off Boyd. KEMP said, "the guy down in Baltimore, I'm kinda, I'm shutting him down right, for a little while?" WHITE said, "yeah, you need to shut him down because he ain't produced s---." KEMP said, "nothing but, nothing but lip service . . . not a problem." They then

discussed which firms, other than Boyd's, they could use for the cash management that Boyd had solicited.

147. Boyd's request on behalf of Legg Mason, Inc. for involvement in the investment of City funds was denied. Boyd never heard from KEMP or WHITE again.

vi. <u>Extortion of Andre Allen</u>.

148. As the effort to extort Boyd faded, defendants RONALD A. WHITE and COREY KEMP turned their attention to Andre Allen, a principal of Phoenix Capital Partners, a financial advisory firm. Ultimately, besides trying to use Allen as well to get business for RPC, WHITE and KEMP tried to get a $25,000 political contribution from Allen to the Mayor's campaign in exchange for WHITE's influence with KEMP.

149. The trigger for the entreaty to Allen was Darric Boyd's efforts in Baltimore on behalf of defendant JANICE RENEE KNIGHT. Allen also does business in Baltimore. On or about July 8, 2003, KNIGHT called KEMP and said that during her visit to Baltimore the day before, she kept hearing Allen's name, and wanted to know who he is. KEMP said he knew Allen, and KNIGHT asked if KEMP would call Allen and put in a good word for her.

150. KEMP called Allen that afternoon. KEMP explained that KNIGHT was seeking business in Baltimore and would be calling him. Allen stated that he would be happy to help, but cautioned that it may be difficult for RPC to get business in Baltimore without a local office. KEMP then added, "they are pushed by Ron White, and

it would be a good thing if he knows you guys are pushing them down there, he may start pushing you guys up here, without having to throw money at it."

151. After the call, KEMP left a message on WHITE's voice mail. He said he spoke to the financial analyst for Baltimore and "I think he can be helpful in getting RPC some business."

152. The next day, July 9, 2003, KEMP called Allen and said he spoke to WHITE. KEMP claimed that WHITE, separate from their previous discussion, wanted to back a financial analyst firm in Philadelphia. KEMP said that he told WHITE that he favored Phoenix Capital, and suggested that WHITE and Allen have a meeting. In this fashion, KEMP laid the groundwork for WHITE to solicit money from Allen in exchange for access to KEMP and the award of City business.

153. As in the case of Darric Boyd, KEMP arranged WHITE and KNIGHT's meetings with Allen. On or about July 14, 2003, while taking direction from WHITE regarding assistance to KNIGHT, KEMP said, "I had it as two separate things cause I didn't want him to know," referring to WHITE's desire for a political and other contributions on the one hand and the effort to acquire printing business for KNIGHT on the other. WHITE said, "yeah, I want that to be your thing, not mine . . . basically that, you know she's been doing a lot of good work for the City, you'd like to see her expand and we trying to build minority companies the same way we trying to build you, but we want you guys to help each other, like that kind of conversation." KEMP said, "not a

problem." KEMP then asked whether WHITE wanted his meeting or KNIGHT's meeting to occur first; WHITE said it did not matter, but KEMP should try to arrange both meetings that week.

154. KEMP then made a number of calls to arrange Allen's meeting with KNIGHT, calling Allen, WHITE, and KNIGHT's secretary. KEMP acted as KNIGHT's planner, and adopted WHITE's cause promoting KNIGHT as his own. Thus, when KEMP reported back to WHITE on or about July 15, 2003, regarding plans for the Allen-KNIGHT meeting, KEMP said, "okay, I'll set it up for 10; if we can get some Baltimore stuff that would be good, that would be good, that would be good." WHITE asked about Allen's personality, then inquired, "did he ask you anything about me?" KEMP said, "no, your reputation precedes itself, you know, so they know who is making the calls, man, everybody on the street knows who makes the calls."

155. WHITE and Allen met on July 24, 2003. At 3:02 p.m., Allen reported to KEMP what occurred during the meeting. Allen stated that he and WHITE discussed upcoming deals, and said he was sure WHITE would soon ask for a political contribution. KEMP replied, "nothing you can do, right?" Allen stated that he was not averse to making a contribution after finding out what WHITE could deliver.

156. On or about August 5, 2003, at approximately 5:33 p.m., immediately after Darric Boyd told WHITE that Boyd would not make a contribution in order to attend a breakfast with the Mayor the next morning, WHITE spoke to Allen, who was in

Washington, D.C., asking Allen to attend the breakfast with the Mayor. Allen stated that he could not attend because of another engagement. WHITE and Allen then discussed Allen's interest in business in Philadelphia.

157. On or about August 6, 2003, WHITE and KEMP talked about Allen, and WHITE instructed, "you need to groom him, man, let him know that I'm gonna go all the way with him, so I'm expecting a lot from him, you know what I mean?" KEMP said, "I'll have that conversation with him, yeah." WHITE added, "so I'm, I'm expecting him to, you know, play big, cause I'm gonna bully my, bully him in there."

158. KEMP followed the instructions. During a call with Allen on or about August 18, 2003, KEMP said that WHITE wanted to meet with KEMP and Allen, and WHITE "wants to try to push Phoenix on as many deals as possible." WHITE told KEMP to set up a dinner with Allen, and KEMP did so. The dinner took place at Il Portico on August 20, 2003, and was attended by Allen, WHITE, KNIGHT, KEMP, and a friend of KEMP. But before it began, WHITE met privately with Allen in WHITE's office.

159. During the private meeting, WHITE said, "I wanted to talk to you before we got together for dinner later on because I don't like to talk campaign, I mean, contributions, in front of public officials." They turned to the subject of the amount of a contribution. Allen said, "I think the way we like to do it is, when you have your things, wherever they may be, we will respond to them." WHITE said, "yeah, man, but I mean,

you know what my things are like?" WHITE then asked for a contribution of $25,000, in exchange for a ticket to the Mayor's box at the opening game of the Philadelphia Eagles in the team's new stadium, scheduled for September 8, 2003.

160. WHITE asked, "first of all, I need to know, can you handle that?" Allen said he was not sure: "I mean, we've been on transactions . . . ." WHITE interjected, "don't worry about that." Allen asked, "You understand what I'm saying." WHITE said, "I understand perfectly. And so, but I wouldn't worry about that if I was you. Because you already into it. And I mean, when you have dinner tonight, I think you'll know that for sure." WHITE then said, "in addition to that, I was just thinking today, and this has nothing to do with, you know, contributions," and proceeded to discuss ideas for getting Allen business from the Philadelphia Redevelopment Authority and the Housing Authority.

161. After the meeting in WHITE's office ended, WHITE and Allen went to dinner with KEMP. In conducting a private meeting followed by the dinner with a public official, WHITE and KEMP endeavored to display for Allen WHITE's control of KEMP's decision-making and to reinforce WHITE's demand for a $25,000 contribution to the Mayor's reelection campaign.

162. On or about August 26, 2003, Allen called WHITE and reported that he and his partners had concluded that $25,000 was "a lot heavy for us right now." He said they could commit $5,000, "and we are willing to continue the discussion to

hopefully get up to that number, specifically, if some of the things can come through that we are looking for." WHITE retorted, "don't talk to me like that, don't ever have that kind of discussion with me." Allen replied, "we are not having that discussion, I know 'cause we talked about that before, I am not saying you do as we do what, that's not what I am saying but I want you to understand that we are serious and hopefully you know that we are serious, that's all I am saying to you." WHITE said, "all right, well we will see, man, you just send that over and uh, we'll work together man." Allen seemed nervous: "you say, we'll see, as if . . . ." WHITE responded sharply: "Andre, look, come on man, look . . . I spent at least an hour and a half with you, if I haven't convinced you what things, where things are now, I ain't going to convince you, man, I ain't got that kind of time." Allen replied, "it's not a question of you convincing me, I know what you can do." WHITE said, "I told you I'll take care of it and that's what I mean."

163. Allen then asked if he still had an invitation to the Eagles game. WHITE said, "I am still going to make sure you get a ticket, because I think it is important for you to be there, either we are going to do you or we not." Allen then said, "all right, let me tell you this, if I can push and do a little more I'm going to try to do that."

164. On the same day, in a 5:52 p.m. telephone call, WHITE reported to KEMP that "Andre called me today, 'cause I asked him if he could raise 25 grand, he called me, you know crying, talking about, they couldn't do it, then he started asking me,

well, man, if you all, you know, I said listen, man, how many times I gotta tell you don't have that conversation with me . . . don't have no quid pro conversation with me, I don't have those kind of conversations."

165. After disavowing quid pro quo conversations, using the legal terminology applicable to determining whether a solicitation of a campaign contribution constitutes extortion in violation of federal law, KEMP and WHITE proceeded to demonstrate that that was exactly their intent. WHITE said he told Allen, "listen, I ain't got time to convince you, man, you know, like, we sat down and we spent a lot of time with you and you, we told you, you know, you was gonna be part of the team, now you know, either you down or you ain't with it." KEMP then stated forcefully, "right, cause if they don't, if they ain't with us they ain't gonna get nothing." WHITE agreed. KEMP said, "you know, you just hate to say it but that's the way it is man, I mean, this is . . . election time, this is time to either get down or lay down man, I mean, come on, to me, personally it's not even a hard decision . . . it's not a hard decision, you know, cause that stuff comes, comes back, over and over, so what's the deal, did he make the decision?" WHITE said, "well you know, he said he, you know, he could do five and, you know . . . I'm gonna let him do that, man, you know, because like, I do wanna bring him along man but . . . he's gotta, you know, understand that what we say is what we mean, man, you know what I mean, I'm not, you know, I ain't no f---, he, he got me confused with somebody else." KEMP said, "well you just let me know how you want me to, you know

. . . ." WHITE said, "no, I gonna work with him, you know." KEMP concluded, "that's cool."

166. In subsequent days, WHITE reminded his staff to collect the promised check from Allen. Allen wrote the check for $5,000 to the Mayor's campaign on or about September 3, 2003.

167. WHITE later directed KEMP to obtain additional money from Allen for the Youth Leadership Foundation, WHITE's charitable foundation. On or about September 19, 2003, at 3:36 p.m., WHITE told KEMP, "I need you to call Andre," and tell him "we expect him to be a sponsor, you know, for Youth Leadership." WHITE added, "this is how you should do it, ask him if he got a letter from me, he'll get it, asking him to be a sponsor." WHITE said KEMP should say that KEMP is "on the board and it's a real worthwhile cause." On or about September 25, 2003, KEMP confirmed that he made the call to Allen.

168. On or about October 1, 2003, WHITE called KEMP to press further for the contribution to YLF. WHITE said KEMP needed to call Allen because they just put Allen's firm in a deal. As WHITE had promised, they were continuing to work with Allen. KEMP confirmed, "we put them in the water deal." WHITE then offered a primer on how to solicit a contribution without explicitly tying it to the receipt of City business. He said, "right, so, and what you want to do is call him and say, we were not going to move this deal until December but it looks like we're going to move it before then, so he

should be gearing up for it, like something like that, and then just say oh, by the way, did you take care of that thing with the Youth Leadership Foundation, just do it like that." KEMP agreed. Allen did not make a contribution to YLF by the time the defendants' criminal scheme ended later that month.

D. <u>Benefits Provided to KEMP by Commerce Bank</u>.

169. As in the case of defendant RONALD A. WHITE, who provided benefits to defendant COREY KEMP to enlist KEMP's assistance in taking official actions to benefit WHITE and his interests, defendants GLENN K. HOLCK and STEPHEN M. UMBRELL, on behalf of their employer, Commerce Bank, provided benefits to KEMP in the form of otherwise unavailable loans in exchange for favorable decisions by KEMP as Treasurer of Philadelphia. WHITE, who was a member of Commerce Bank's board of directors from on or about June 18, 2002 to in or about October 2003, and a paid consultant of the bank from in or about 2000 to in or about October 2003, knew of HOLCK and UMBRELL's actions and the favorable treatment awarded by KEMP to Commerce Bank as a result. Likewise, HOLCK and UMBRELL knew of and sought to benefit from WHITE's corrupt relationship with KEMP.

i. <u>The loans on KEMP's new home</u>.

170. In or about November 2002, defendant COREY KEMP sought defendant STEPHEN M. UMBRELL's assistance to obtain a mortgage loan from

Commerce Bank for a new home that KEMP was buying in Birdsboro, Pennsylvania. Defendant RONALD A. WHITE was included in these discussions.

171. On or about December 3, 2002, defendants UMBRELL and GLENN K. HOLCK approved on behalf of Commerce Bank a first mortgage loan of 80% of the value of KEMP's home. UMBRELL and HOLCK approved this mortgage loan before the ordinary underwriting process, which ultimately showed that KEMP had significant credit problems resulting from, among other things, numerous recent delinquencies on credit and loan accounts, a recent automobile repossession, and numerous collection and charged off accounts. In fact, in September 2001, before KEMP became the City Treasurer and before HOLCK and UMBRELL sought to influence KEMP's official actions, Commerce Bank had rejected a request by KEMP for a $2,000 line of credit because of KEMP's poor credit.

172. On or about December 11, 2002, UMBRELL and HOLCK waived a number of conditions that were part of the commitment letter issued by Commerce Bank for the first mortgage loan to KEMP, including verification of the source of KEMP's initial $2,000 deposit, verification of the source of the approximately $5,000 to $9,000 that KEMP needed to pay at the closing of the mortgage, payment of approximately $13,000 owed to a bank that had repossessed a 1997 Mitsubishi Montero from KEMP, and resolution of KEMP's delinquent credit/loan accounts totaling approximately $20,000. Besides overlooking KEMP's substantial remaining debts, which would affect

his ability to repay the new mortgage loans, HOLCK and UMBRELL also ignored the fact that the source of KEMP's down payment consisted of his entire savings and retirement accounts. These accounts included money KEMP had received in an irregular payment from defendants LA-VAN HAWKINS and RONALD A. WHITE on or about October 10, 2002, and money KEMP had obtained from a company controlled by FRANCIS D. McCRACKEN (charged elsewhere in this indictment) and designated by KEMP and McCRACKEN as a loan.

173. On or about December 18, 2002, UMBRELL approved on behalf of Commerce Bank a second mortgage loan in the amount of $45,489 to KEMP based on, among other things, KEMP's position as City Treasurer.

174. Before that approval, Commerce Bank's consumer loan department had evaluated KEMP's application for a second mortgage loan. The underwriting program it employed determined that KEMP had a credit score of 433, and his wife had a credit score of 440, which the assigned Commerce Bank consumer loan officer described as among the lowest scores he had seen in his 40-year banking career. The officer advised a senior lender that this was not a loan that the officer wanted in the retail consumer portfolio. Nevertheless, UMBRELL directed these lending officers to process the loan.

175. On or about December 19, 2002, UMBRELL instructed employees of Commerce Bank that they "need[ed] to make this happen," meaning the closing of the

first and second mortgage loans to KEMP, even though the appraisal on the property had not been completed.

176. On or about December 24, 2002, KEMP obtained first and second mortgage loans totaling $225,489 from Commerce Bank/Pennsylvania, N.A. and Commerce Bank, N.A., as approved by UMBRELL and HOLCK, to finance 100% of the purchase price of KEMP's new residence in Birdsboro, Pennsylvania. These loans amounted to a benefit to KEMP by virtue of his position as Treasurer, given that the bank did not follow its underwriting guidelines in making the loans and the loans were not reasonable and customary extensions of credit.

ii. <u>The refinancing of KEMP's automobile loan</u>.

177. On or about March 5, 2003, defendant STEPHEN M. UMBRELL approved an automobile refinancing loan for a 2001 Nissan Pathfinder to defendant COREY KEMP despite significant credit problems. The refinancing, which closed on or about March 7, 2003, paid off KEMP's existing automobile loan and provided KEMP with more than $2,230 in cash. To make this loan, UMBRELL once again overrode the rejection of the loan by Commerce Bank's consumer loan underwriting program.

178. KEMP used part of the cash he obtained to pay his new Commerce Bank home mortgage loans, another sign that KEMP was significantly overextended which HOLCK and UMBRELL chose to overlook.

iii. **The $480,000 construction loan for KEMP's church.**

179. In or about May and June 2003, defendant STEPHEN M. UMBRELL approved a $480,000 construction loan for a church where defendant COREY KEMP served as a trustee. At the closing on June 25, 2003, UMBRELL waived a $3,500 appraisal fee, and UMBRELL and defendant GLENN K. HOLCK allowed KEMP and FRANCIS D. McCRACKEN (charged elsewhere in this indictment) to receive approximately $115,000 in loan proceeds for expenses that KEMP and McCRACKEN claimed the church already had paid even though the bank had not yet completed any inspection or verified the expenses. In a notation on the loan file next to the check list showing that the ordinary pre-settlement inspection and workup of the advance was not done, an employee of Commerce Bank wrote, "I did what I was told to do."

180. On or about October 7, 2003, defendant STEPHEN M. UMBRELL agreed to modify the construction loan to allow defendants COREY KEMP and FRANCIS D. McCRACKEN to obtain advances of 80% of each subsequent request for funds on this construction loan. UMBRELL agreed to make these advances even though KEMP and McCRACKEN had not provided all of the information that had been ostensibly required by Commerce Bank at the June 25, 2003 closing of the loan and despite the fact that, in or about August 2003, a Commerce Bank inspector determined that a prior request for funds was based on some of the same receipts that had been

submitted by KEMP and McCRACKEN to support the $115,000 advance at the June 25, 2003 closing.

iv. <u>The loan to KEMP's brother-in-law</u>.

181. On or about July 1, 2003, defendant COREY KEMP asked defendant STEPHEN M. UMBRELL for an unsecured loan for KEMP's brother-in-law. KEMP, knowing that another bank already had rejected a loan application made by his brother-in-law, told UMBRELL that his brother-in-law had "a little shaky credit." UMBRELL, without having done any review of the brother-in-law's credit history, asked KEMP, "what do you want to go back and promise him?" UMBRELL said, "I am trying to make you look good; if you want to tell him $7,500, tell him $7,500."

182. On or about July 7, 2003, UMBRELL approved an unsecured $7,500 loan to KEMP's brother-in-law even though KEMP's brother-in-law had excessive obligations and insufficient credit history. As in the case of the other KEMP loans, the Commerce Bank underwriting program declined the brother-in-law's application based on insufficient credit history and excessive obligations. UMBRELL overrode the declination without any explanation.

183. On or about July 31, 2003, KEMP's brother-in-law received the proceeds of this loan, which UMBRELL classified in bank records as a loan to finance a personal vacation.

v. **Other benefits to KEMP.**

184. At various times in 2002 and 2003, defendants STEPHEN M. UMBRELL and GLENN K. HOLCK and other officers and employees of Commerce Bancorp, Inc., and its wholly owned subsidiaries, provided numerous gifts and offers of gifts to defendant COREY KEMP, including tickets to Philadelphia 76ers games on or about January 9, 2002 and January 17, 2003, lunch on or about March 4, 2002, tickets to a Philadelphia Phillies game on or about September 10, 2002 and July 2, 2003, tickets to a Philadelphia Flyers game on or about November 10, 2002, dinner on or about January 23, 2003, lunch on or about February 5, 2003, an offer of tickets to the theater on or about March 4, 2003, cocktails on or about May 1, 2003, dinner at the Capital Grille on or about May 5, 2003, cocktails on or about June 11, 2003, and an offer to try to obtain tickets to a Metallica concert on or about July 12, 2003. On or about January 23, 2003, UMBRELL told HOLCK and another employee of a wholly owned subsidiary of Commerce Bancorp, Inc. that KEMP was "eating well on us."

185. At no time from at least 2002 to at least October 2003 did KEMP disclose any conflict of interest involving, or any of these gifts, loans, or other benefits from defendants RONALD A. WHITE, HOLCK, and UMBRELL, nor did KEMP recuse himself from matters relating to WHITE, Commerce Bancorp, Inc. (or any of its wholly owned subsidiaries), HOLCK, or UMBRELL.

186. Rather, KEMP took discretionary actions to benefit Commerce Bank in exchange for these benefits. On or about July 1, 2003, KEMP stated to FRANCIS D. McCRACKEN (charged elsewhere in this indictment), "Commerce Bank . . . better take care of me . . . I am hooking them up."

E. KEMP's Actions on Commerce Bank's Behalf.

i. The NTI line of credit.

187. In or about May 2003, the City and the Redevelopment Authority of Philadelphia issued a Request for Proposal seeking proposals from banks interested in offering a $30 million line of credit to finance activities associated with the Mayor of Philadelphia's Neighborhood Transformation Initiative ("NTI"). Defendant COREY KEMP, in violation of his duty of honest services, acted with defendants RONALD A. WHITE, GLENN K. HOLCK, and STEPHEN M. UMBRELL to secretly guarantee that Commerce Bank was awarded the line of credit.

188. Under the Request for Proposal, interested banks had to submit their proposals before noon on May 28, 2003. The City sent the Request for Proposal to, among others, UMBRELL at Commerce Bank, First Union National Bank (now Wachovia Bank), Citizens Bank, Fleet Bank, Sovereign Bank, PNC Bank, J.P. Morgan, and KBC Bank.

189. On or about May 22, 2003, UMBRELL called WHITE and told him that Commerce Bank was interested in responding to the Request for Proposal for the NTI

line of credit. UMBRELL told WHITE that he thought that the responses would be competitive.

190. On or about May 27, 2003, Commerce Bancorp, Inc., through its wholly owned subsidiary Commerce Bank, N.A., submitted its proposal for the NTI Line of credit at a price of LIBOR plus 100 basis points. "LIBOR" is the London Interbank Offered Rate, which is a benchmark interest rate for financial instruments traded on financial markets.

191. On or about May 28, 2003, at approximately 11:00 a.m., KEMP asked WHITE whether Commerce Bank was interested in obtaining the NTI line of credit. WHITE responded, "they want it bad." KEMP then said, "just some advice in the future, 'cause they submitted their proposal first, right? Tell them don't submit it first, because I can tell you what came in, and then you can tell them how to beat the s---."

192. A few hours later, at approximately 2:30 p.m., WHITE told UMBRELL, "somebody told me to tell you that when you guys do these things don't ever send your stuff in first." UMBRELL responded, "you know I love you, right, you know I love you, I would do anything for you, but I know who told you that, and I understand why, so it won't happen again." WHITE added, "listen the other thing is, so far, you guys got the best one." UMBRELL asked, "did you hear who else was in?" WHITE replied, "I'll get it for you."

193. An hour later, at approximately 3:30 p.m., WHITE asked HOLCK, "did Steve tell you what I told him about the proposal, that RDA proposal? . . . he said, like, next time like don't be the first one to submit." HOLCK responded, "oh yeah, he did, I know, I know, Corey said to him not . . . ."

194. By May 28, 2003, five banks responded to the Request for Proposal for the NTI line of credit. KBC Bank submitted a proposal with a lower price than the proposal submitted by Commerce Bank.

195. On or about May 29, 2003, KEMP told WHITE, "I got five proposals in on that NTI line of credit . . . it's gonna be between Commerce and KBC."

196. On or about May 30, 2003 at approximately 12:15 p.m., KEMP told WHITE, "with Commerce, I am going to call them back because when I looked at their fees, they were almost double." WHITE instructed KEMP to "make them . . . come back to where they need to be." KEMP obliged, saying, "right, so I just wanted to let you know."

197. On or about May 30, 2003, at approximately 5:30 p.m., WHITE left a voicemail message for HOLCK saying that KEMP was trying to reach HOLCK and that HOLCK should call KEMP as soon as he received the message.

198. On or about June 2, 2003 at approximately 2:30 p.m., WHITE asked HOLCK, "did you get that new rate over to Corey?" HOLCK answered, "I won't get it until tomorrow, he said tomorrow is okay." HOLCK explained that "[the Chief Executive

Officer of Commerce Bancorp, Inc.] wanted us at a certain rate . . . Corey said we need to go even lower." HOLCK told WHITE, "I might need you to put a call to [the Chief Executive Officer] on that one." WHITE said that HOLCK should let the Chief Executive Officer know that "we just got the lead on a TRANS deal [with the City] . . . and we got another deal coming up with a swap, and I mean, you know, there's a lot of stuff going on." HOLCK responded to WHITE, "can you do me a favor . . . do you mind calling him this afternoon?" WHITE said, "yeah, I'll call him." HOLCK suggested, "if you call him and say I understand you know that Glenn might be giving you a call that you guys will look good if you can lower the pricing to 75 . . . Corey told me 75."

199. On or about June 2, 2003 at approximately 3:30 p.m., WHITE told HOLCK, "I talked to [the Chief Executive Officer], and he was real cool about it." HOLCK asked, "did you tell him the 75 basis points?" WHITE replied, "yeah, I told him . . . ."

200. On or about June 3, 2003, at approximately 10:50 a.m., HOLCK told WHITE, "that was [the Chief Executive Officer], he's okay at 75 basis points . . . but I gotta win this deal or I am going to look like an asshole." HOLCK then told WHITE, "Steve [Umbrell] is going to put a call into Corey to make sure that he knows that's where we're at."

201. On or about June 3, 2003, at approximately 11:15 a.m., WHITE asked KEMP, "they called you back with the 75 basis points?" KEMP replied, "they didn't call

me yet." WHITE said, "well, they are calling you; so listen man, I gotta get this done . . . don't leave me hanging out there on this one." KEMP reassured WHITE, "I got your back, you know that."

202. On or about June 3, 2003, at approximately 2:33 p.m., an employee of Commerce Bank prepared the bank's new proposal, offering an interest rate of LIBOR plus 75 basis points, thereby undercutting the proposal of KBC Bank without its knowledge. This proposal was hand delivered to KEMP's office shortly thereafter.

203. On or about June 4, 2003, at approximately 7:00 a.m., KEMP told WHITE that his "number one priority is that Commerce thing." Subsequently, KEMP informed his superior, the Finance Director, of Commerce's new and improved bid. The Finance Director, objecting to the fairness of this process (and not knowing that KEMP, in violation of his duty of honest services, had told HOLCK at what price to submit Commerce's new bid), directed that every bank be given an opportunity to rebid. Later that morning, at approximately 9:10 a.m., KEMP called WHITE from a meeting at the Philadelphia City Council. KEMP told WHITE, "I am not too happy about the whole meeting; first the RFP, she [the Finance Director] wants to give everybody the opportunity to rebid, not just Commerce."

204. On or about June 4, 2003, at approximately 1:30 p.m., HOLCK placed a call to WHITE and told WHITE, "we made our revised proposal to Corey and something is not smelling right." WHITE responded, "let me tell you what happened . . .

[the Finance Director] got cold feet because she said that everybody knew what the first bids were . . . so she is redoing everything . . . but it doesn't matter." HOLCK stated, "so I don't have to sharpen my pencil?" WHITE replied, "no, no."

205. On or about June 4, 2003 (a day after Commerce Bank submitted its revised bid), the financial advisor to the City (who was not aware that Commerce Bank already had submitted a revised bid directly to KEMP) sent e-mails to the five banks that had submitted proposals for the NTI line of credit informing the banks that "the City and RDA have decided to provide to all of the Banks who responded to the RFP another chance to resubmit a response." At no time did KEMP or any other City official inform any of the banks other than Commerce Bank of the competing proposals or what was the lowest bid to be beaten.

206. On or about June 10, 2003, KEMP recommended to the Finance Director of the City that Commerce Bank, N.A. be selected to provide the NTI line of credit. Using the information KEMP provided to Commerce Bank alone, Commerce Bank had submitted a second bid that, depending on how quickly money is used for the line of credit, could be cheaper than KBC's original bid by $5,000. Neither KBC nor any other bank was ever given information regarding any other bank's bid or given an informed opportunity to beat Commerce Bank's revised bid.

207. On or about June 11, 2003, at approximately 9:25 a.m., KEMP called WHITE and boasted, "Commerce is the winner on that line of credit . . . Commerce won

that bid, I came through for you . . . so you make your calls and let me know when I can make my calls."

208. On or about June 11, 2003, at approximately 9:30 a.m., WHITE called HOLCK and said, "just letting you know we got that deal." HOLCK asked, "will Corey be calling us?" WHITE answered, "yeah, he's going to call this morning." HOLCK replied, "great, great, I appreciate it."

209. On or about June 11, 2003, at approximately 9:45 a.m., WHITE called KEMP and said, "I made the call so they waiting for you to call." At approximately 10:45 a.m., UMBRELL called WHITE and said, "I love you . . . I know you had a conversation with Glenn earlier and Corey called me so . . . we're going to celebrate when you're available . . . I just wanted to say thanks for everything." At approximately 12:50 p.m., UMBRELL stated to WHITE, "now I am taking Corey out . . . we're going drinking."

ii. <u>City of Philadelphia cash deposits and investments</u>.

210. Beginning in at least December 1999, Commerce Bancorp, Inc., through its wholly owned subsidiaries, sought to obtain some of the approximately $1.5 billion in cash deposits and investments made by the City. As part of its efforts to obtain this business, Commerce Bancorp, Inc., through its wholly owned subsidiaries, offered to act as a consultant to the City and make recommendations as to its cash management and investment practices.

211. On or about May 16, 2002, defendant COREY KEMP learned that Citizens Bank and Commerce Bank wished to handle City Risk Management accounts of approximately $1.5 million that previously had been held at Mellon Bank. On or about May 30, 2002, KEMP decided to move the accounts to Commerce Bank.

212. On or about August 12, 2002, KEMP told defendant STEPHEN M. UMBRELL that lawyers for the City told KEMP that Commerce Bank could not be both a consultant to the Treasurer's Office and also receive contracts from the Treasurer's Office to maintain deposits of the City. Based on this direction from the City's lawyers, defendants UMBRELL, GLENN K. HOLCK, RONALD A. WHITE, and KEMP discussed how Commerce Bank would rather wait for an internal evaluation of the Treasurer's Office cash management process and respond to an expected request for proposal.

213. On or about January 29, 2003, HOLCK sent an e-mail to the Chief Executive Officer of Commerce Bancorp, Inc. in which he stated, "Umbrell and [I] met with Ron White. White indicated it's time to move full speed on city accounts. Meeting set w/ Corey Kemp and [an employee of Commerce Bank] for Feb. 5th."

214. On or about February 5, 2003, UMBRELL and other employees of Commerce Bank met with KEMP in an attempt to obtain a contract to act as a consultant to the City concerning the City's cash management operations and contracts. KEMP told UMBRELL and the others that he was "thumbing" his nose at the advice from the

lawyers for the City and wanted to move forward with Commerce Bank providing consulting services to the Treasurer's Office and ultimately participating in the management of at least a part of the City's $500 million in cash, for which Commerce would receive at least part of the $500,000 in annual fees paid by the City for cash management.

215. On or about February 14, 2003, UMBRELL informed HOLCK that he delivered to KEMP a draft request for proposal seeking a consultant to the City Treasurer's Office.

216. On or about February 19, 2003, KEMP met with employees of Commerce Bank. KEMP told WHITE that he had given Commerce Bank $2.5 million in deposits from the City Risk Management department and that he intended to withdraw $2.5 million from First Union National Bank (now Wachovia Bank) and move this money to Commerce Bank by April 1, 2003. KEMP further told WHITE that he heard that First Union was complaining that Commerce Bank was obtaining business from municipalities, such as the City, by making political contributions to influence public officials. KEMP also told WHITE that he wanted "to put it to First Union" because KEMP did not like the way First Union did business.

217. In contrast to Commerce Bank, which made a series of loans to KEMP and a related person and entity in violation of the bank's underwriting guidelines, First Union National Bank had applied its ordinary procedures in (a) repossessing

KEMP's car after he went into default on an automobile loan, (b) making demands and employing collection agencies to pursue KEMP's debt in the ordinary course of business, and (c) rejecting the same loan which KEMP sought for his brother-in-law which was later approved by UMBRELL at Commerce Bank.

218. On or about February 25, 2003, WHITE told the Chief Executive Officer of Commerce Bancorp, Inc. that the City was going to deposit $50 million in cash within the following week and additionally deposit $4 million during that week. WHITE said that he was working on additional long-term deposits. WHITE also stated that KEMP had been "pushing hard" to put Commerce Capital Markets into an upcoming bond deal.

219. On or about February 27, 2003, KEMP told WHITE that he was moving $50 million in City deposits to Commerce Bank on Monday, March 3, 2003 and that WHITE could "let whoever [he] gotta know." Later that day, WHITE called UMBRELL and told him that the City would be depositing $50 million at Commerce Bank on Monday, March 3, 2003. When WHITE told UMBRELL that he had overdrawn his own accounts by approximately $15,000, UMBRELL told WHITE that he would cover the shortfall but that WHITE "should never have gone on the [Commerce Bank] board because this is a problem."

220. On or about April 11, 2003, UMBRELL called WHITE and told him that the Philadelphia Sheriff's Office had just instructed Commerce Bank to wire transfer

approximately $3 million to a new account at Citizens Bank. UMBRELL said, "there's something afoot there and I don't know what it is; we just supported the guy's prayer breakfast last Friday." WHITE told UMBRELL that he would call the Sheriff.

221. On or about April 23, 2003, KEMP told WHITE that he had given an additional $8 million of City deposits to Commerce Bank. WHITE told KEMP, "always let me know before you give them anything."

222. On or about June 23, 2003, KEMP called UMBRELL and first talked about the closing of the construction loan for KEMP's church. KEMP asked UMBRELL whether he could be reimbursed for prior expenses at closing, and UMBRELL said that he could. KEMP then told UMBRELL that $50 million of City certificates of deposit were coming due on June 27, 2003. UMBRELL said that he needed "to keep $20 million of that." KEMP said that he would "work on it." UMBRELL responded that he would "love to keep all $50 million but [he] needs $20 million to cover [his] budget." KEMP replied, "you know you're my boy." KEMP told UMBRELL that "whatever [he] moves, [he] will return to Commerce Bank in two weeks."

223. On or about June 24, 2003, KEMP asked UMBRELL if UMBRELL would be coming to the closing of the construction loan for KEMP's church which was scheduled for the next day. UMBRELL said that he would. KEMP then asked UMBRELL if he would waive any fees. UMBRELL said he would "pay for the [$3,500] appraisal, is that fair?" UMBRELL then asked KEMP whom he should call about CD

rates. KEMP said, "talk to me, you don't need to talk to none of those guys . . . you can come directly to me . . . I want them to know that you're my f---ing guy . . . so you get special treatment."

224. On or about June 27, 2003, KEMP called UMBRELL and told him that he would let UMBRELL keep all $50 million, "but doesn't want to incur a penalty if he has to grab 20 or 30." UMBRELL replied, "if that ever happens, [Kemp] is to talk to [Umbrell] or Glenn [Holck] and no one else."

iii. <u>Bond deals</u>.

225. From at least 2000 through at least 2003, Commerce Bancorp, Inc., through its wholly owned subsidiary Commerce Capital Markets, sought, with the advocacy of defendant RONALD A. WHITE, to participate in various City bond transactions. The City selected Commerce Capital Markets to participate in the 2001 City $295 million general obligation bonds, a transaction in which Commerce Capital Markets disseminated an erroneous call date, potentially costing the City approximately $200,000. In 2001 and 2002, Commerce Capital Markets participated in the issuance of other City bonds, including the 2002 City of Philadelphia $300 million Tax Revenue Anticipation Notes ("TRAN").

226. At WHITE's behest, defendant COREY KEMP recommended that Commerce Capital Markets be selected for lucrative participation in bond deals. For example, on or about May 5, 2003, WHITE and KEMP discussed assignments for the

upcoming 2003 TRAN deal. WHITE said, "I told you I want Commerce to lead it." The next day, at 12:40 p.m., KEMP reported to WHITE that he had a meeting with the Finance Director and "I recommended Commerce on the TRAN deal, she didn't have a problem with that, so I'm submitting those teams to her today." Commerce Bank became the lead for the deal, which closed on or about July 9, 2003, earning a management fee of $60,000, as well as a takedown of $119,735 (more than double the receipt of any other underwriter on the deal).

227. On or about June 5, 2003, KEMP told WHITE that he received the final selection of financial services and law firms which would complete the 2003 TRAN deal for the City. With respect to Commerce Capital Markets, KEMP asked WHITE, "do me a favor and call Commerce first so I can get this damn thing started."

228. On or about July 9, 2003, WHITE called defendant GLENN K. HOLCK and told HOLCK that the TRAN deal closed that day. HOLCK said, "that's great." WHITE then told HOLCK, "you know, you were appointed trustee on the GO [general obligation bond] deal." HOLCK said, "great."

229. WHITE and KEMP also arranged for Commerce Capital Markets to be selected as an underwriter for a Philadelphia Municipal Authority ("PMA") bond issuance. On or about August 28, 2003, KEMP assured WHITE that Commerce (one of the firms KEMP identified to WHITE in the call as "your people") would be placed in the PMA deal, and KEMP in fact made that recommendation to the Finance Director on or

about September 2, 2003. The deal closed on or about December 16, 2003, and Commerce earned $71,528 as a co-manager.

Overt Acts

230. In furtherance of the conspiracy, defendants RONALD A. WHITE, COREY KEMP, GLENN K. HOLCK, STEPHEN M. UMBRELL, LA-VAN HAWKINS, and JANICE RENEE KNIGHT, and others known and unknown to the grand jury, committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

231. On or about February 7, 2002, defendant RONALD A. WHITE caused NBA All-Star tickets to be sent by Federal Express from Company No. 1 to RONALD A. WHITE.

232. On or about August 12, 2002, defendant STEPHEN M. UMBRELL caused to be sent an interstate e-mail transmission from Philadelphia to the Chief Executive Officer of Commerce Bancorp, Inc. and other senior Commerce executives in Cherry Hill, New Jersey regarding defendant COREY KEMP's discussion of the ability of Commerce to be a consultant to the City on cash management matters.

233. On or about October 10, 2002, defendant LA-VAN HAWKINS caused to be sent an interstate wire transfer of $5,000 from the account of New Detroit 2, at First Independence National Bank, Detroit, Michigan, to the Commerce Bank account of defendant COREY KEMP.

234. On or about November 4, 2002, defendant STEPHEN M. UMBRELL caused to be sent an interstate e-mail transmission from Philadelphia to the Chief Executive Officer of Commerce Bancorp, Inc. and other senior Commerce executives in Cherry Hill, New Jersey regarding defendant COREY KEMP's request for a personal residential mortgage.

235. On or about December 9, 2002, defendants STEPHEN M. UMBRELL and GLENN K. HOLCK caused to be sent an interstate facsimile transmission from Commerce Bank in Philadelphia to Commerce Bank, N.A. in Mount Laurel, New Jersey recording their approval of the first mortgage loan to defendant COREY KEMP.

236. On or about December 11, 2002, defendants STEPHEN M. UMBRELL and GLENN K. HOLCK caused to be sent an interstate facsimile transmission from Commerce Bank in Philadelphia to Commerce Bank, N.A. in Mount Laurel, New Jersey recording their waiver of conditions to close the first mortgage loan for defendant COREY KEMP.

237. On or about December 23, 2002, defendants STEPHEN M. UMBRELL and GLENN K. HOLCK caused to be sent the closing documents for defendant COREY KEMP's first and second mortgages, by Federal Express from Commerce Bank, N.A. in Mount Laurel, New Jersey to Paragon Abstract in Wyomissing, Pennsylvania.

238. On or about January 29, 2003, defendant GLENN K. HOLCK caused to be sent an interstate e-mail transmission to the Chief Executive Officer of Commerce Bancorp, Inc. in Cherry Hill, New Jersey regarding HOLCK's discussion with defendant RONALD A. WHITE about Commerce Bank obtaining City accounts and an upcoming meeting with defendant COREY KEMP.

239. On or about February 12, 2003, at approximately 11:35 a.m. EST, defendant RONALD A. WHITE, in Philadelphia, had an interstate telephone conversation with an executive of Company No. 2, in Los Angeles, regarding the tickets provided to WHITE by Company No. 2 for the Super Bowl, and Company No. 2's intent to provide future benefits in exchange for access to City business.

240. On or about February 25, 2003, at approximately 9:06 a.m., defendant RONALD A. WHITE, in Philadelphia, held an interstate telephone conversation with the Chief Executive Officer of Commerce Bancorp, Inc., in Cherry Hill, New Jersey, regarding City deposits to Commerce Bank and bond work for Commerce Capital Markets.

241. On or about March 28, 2003, at approximately 8:48 a.m., defendant RONALD A. WHITE, in Philadelphia, held an interstate telephone conversation with defendant JANICE RENEE KNIGHT, in Cherry Hill, New Jersey, instructing KNIGHT, at the behest of defendant COREY KEMP, to send the City a bill from RPC for $30,000 for printing on a Water Department bond issuance.

242. On or about April 3, 2003, at approximately 7:42 a.m. EST, defendant RONALD A. WHITE, in Philadelphia, had an interstate telephone conversation with defendant LA-VAN HAWKINS, at the Peninsula Hotel in Beverly Hills, California, regarding the "anniversary" party HAWKINS planned to host in Detroit for defendant JANICE RENEE KNIGHT and WHITE on or about April 4, 2003.

243. On or about April 9, 2003, at approximately 10:39 a.m., defendant RONALD A. WHITE, in Philadelphia, held an interstate telephone conversation with an executive of Company No. 4, who was in New York City, regarding Company No. 4's purported contract with Renee Enterprises for consulting services.

244. On or about April 11, 2003, at approximately 11:30 a.m., defendant RONALD A. WHITE, in Philadelphia, held an interstate telephone conversation with defendant COREY KEMP, in Baltimore, regarding KEMP's efforts to secure business for RPC in Baltimore in exchange for the award of City of Philadelphia investment business.

245. On or about May 2, 2003, at approximately 8:42 a.m., defendant RONALD A. WHITE, in Philadelphia, held an interstate telephone conversation with defendant LA-VAN HAWKINS, in Detroit, regarding HAWKINS' request that WHITE bring defendant COREY KEMP or another Philadelphia official to a meeting with Aslam Kahn.

246. On or about May 9, 2003, at approximately 7:21 a.m., defendant RONALD A. WHITE, in New York City, held an interstate telephone conversation with

defendant COREY KEMP, in Philadelphia, regarding the Kahn meeting and KEMP's other planned official business for the day.

247. On or about May 23, 2003, at approximately 12:39 p.m., defendant RONALD A. WHITE, in Philadelphia, held an interstate telephone conversation with ANTHONY C. SNELL (charged elsewhere in this indictment), in Atlanta, regarding the payment of a $50,000 invoice submitted by WHITE to J.P. Morgan.

248. On or about May 28, 2003, at approximately 5:34 p.m., defendant RONALD A. WHITE, in Philadelphia, held an interstate cellular telephone conversation with defendant GLENN K. HOLCK, at cellular telephone number (609) 560-8043 in New Jersey, regarding the $30 million NTI line of credit.

249. On or about May 30, 2003, J.P. Morgan sent an interstate wire transfer of $50,000 from its account at Chase Manhattan Bank in Tampa, Florida to the Commerce Bank account of RONALD A. WHITE, P.C., in Philadelphia.

250. On or about June 2, 2003, defendant RONALD A. WHITE, in Philadelphia, held an interstate telephone conversation with the Chief Executive Officer of Commerce Bancorp, Inc., in Cherry Hill, New Jersey, regarding the $30 million NTI line of credit.

251. On or about July 1, 2003, at approximately 9:00 a.m., defendant RONALD A. WHITE, in Philadelphia, held an interstate telephone conversation with defendant JANICE RENEE KNIGHT, in Cherry Hill, New Jersey, instructing KNIGHT,

at the behest of defendant COREY KEMP, to send the City a bill from RPC for $40,000 for printing on the TRAN bond issuance.

252. On or about July 10, 2003, an affiliate of Company No. 3, which arranged for the construction of a deck at defendant COREY KEMP's house in Birdsboro, Pennsylvania, sent an invoice to KEMP, stating a total due of $10,350, by United States mail.

253. On or about August 5, 2003, at approximately 5:13 p.m., defendant COREY KEMP, in Philadelphia, held an interstate telephone conversation with Darric Boyd, in Baltimore, directing Boyd to contact defendant RONALD A. WHITE regarding the possibility of meeting with the Mayor of Philadelphia for breakfast the next day.

254. On or about August 5, 2003, at approximately 5:16 p.m., defendant RONALD A. WHITE, in Philadelphia, held an interstate telephone conversation with Darric Boyd, in Baltimore, and requested a $5,000 contribution to the Mayor's reelection campaign in exchange for an opportunity to have breakfast with the Mayor the next morning.

255. On or about August 5, 2003, at approximately 5:33 p.m., defendant RONALD A. WHITE, in Philadelphia, held an interstate telephone conversation with Andre Allen, in Washington, D.C., asking Allen to attend the August 6, 2003 breakfast with the Mayor, and discussing Allen's interest in business in Philadelphia.

256. On or about August 13, 2003, defendant RONALD A. WHITE caused USA vs. Puerto Rico basketball tickets to be sent by Federal Express from a ticket agency in Los Angeles to WHITE in Philadelphia.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO TO ELEVEN

HONEST SERVICES WIRE FRAUD -- WHITE AND KEMP, AIDED BY HAWKINS AND KNIGHT

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 3 to 229 of Count One of this indictment are incorporated here.

2. On or about the following dates, in the Eastern District of Pennsylvania and elsewhere, the defendants listed below, having devised a scheme to defraud the City of Philadelphia and its citizens of the right to defendant COREY KEMP's honest services in the affairs of the City of Philadelphia, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted, and aided and abetted the transmission of, by means of wire communication in interstate commerce, the signals and sounds described below for each count, each transmission constituting a separate count:

COUNT	DATE	DEFENDANTS	DESCRIPTION
2	10-10-02	RONALD A. WHITE COREY KEMP LA-VAN HAWKINS	Wire transfer of $5,000 from the account of New Detroit 2, at First Independence National Bank, Detroit, Michigan, to the Commerce Bank account of COREY KEMP.

COUNT	DATE	DEFENDANTS	DESCRIPTION
3	2-12-03	RONALD A. WHITE COREY KEMP	Telephone conversation between RONALD A. WHITE, in Philadelphia, and an executive of Company No. 2, in Los Angeles, regarding the tickets provided to WHITE by Company No. 2 for the Super Bowl, and Company No. 2's intent to provide future benefits in exchange for access to City business.
4	3-28-03	RONALD A. WHITE COREY KEMP JANICE RENEE KNIGHT	Telephone conversation between RONALD A. WHITE, in Philadelphia, and JANICE RENEE KNIGHT, in Cherry Hill, New Jersey, instructing KNIGHT, at the behest of defendant COREY KEMP, to send the City a bill from RPC for $30,000 for printing on a Water Department bond issuance.
5	4-3-03	RONALD A. WHITE COREY KEMP LA-VAN HAWKINS	Telephone conversation between RONALD A. WHITE, in Philadelphia, and LA-VAN HAWKINS, in Beverly Hills, California, regarding the party to be hosted by HAWKINS for JANICE RENEE KNIGHT and WHITE on or about April 4, 2003.

COUNT	DATE	DEFENDANTS	DESCRIPTION
6	4-9-03	RONALD A. WHITE COREY KEMP JANICE RENEE KNIGHT	Telephone conversation between RONALD A. WHITE, in Philadelphia, and an executive of Company No. 4, in New York City, regarding Company No. 4's purported contract with Renee Enterprises for consulting services.
7	4-11-03	RONALD A. WHITE COREY KEMP	Telephone conversation at approximately 11:30 a.m. between RONALD A. WHITE, in Philadelphia, and COREY KEMP, in Baltimore, regarding KEMP's efforts to secure business for RPC in Baltimore in exchange for the award of City of Philadelphia investment business.
8	7-1-03	RONALD A. WHITE COREY KEMP JANICE RENEE KNIGHT	Telephone conversation between RONALD A. WHITE, in Philadelphia, and JANICE RENEE KNIGHT, in Cherry Hill, New Jersey, instructing KNIGHT, at the behest of defendant COREY KEMP, to send the City a bill from RPC for $40,000 for printing on the TRAN bond issuance.

COUNT	DATE	DEFENDANTS	DESCRIPTION
9	8-5-03	RONALD A. WHITE COREY KEMP	Telephone conversation at approximately 5:13 p.m. between COREY KEMP, in Philadelphia, and Darric Boyd, in Baltimore, directing Boyd to contact defendant RONALD A. WHITE regarding the possibility of meeting with the Mayor of Philadelphia for breakfast the next day.
10	8-5-03	RONALD A. WHITE COREY KEMP	Telephone conversation at approximately 5:16 p.m. between RONALD A. WHITE, in Philadelphia, and Darric Boyd, in Baltimore, in which WHITE requested a $5,000 contribution in exchange for an opportunity to have breakfast with the Mayor the next morning.
11	8-5-03	RONALD A. WHITE COREY KEMP	Telephone conversation at approximately 5:33 p.m. between RONALD A. WHITE, in Philadelphia, and Andre Allen, in Washington, D.C., asking Allen to attend the breakfast with the Mayor, and discussing Allen's interest in business in Philadelphia.

All in violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNTS TWELVE TO FOURTEEN

HONEST SERVICES MAIL FRAUD -- WHITE AND KEMP

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 3 to 229 of Count One of this indictment are incorporated here.

2. On or about the following dates, in the Eastern District of Pennsylvania and elsewhere, defendants

RONALD A. WHITE and
COREY KEMP,

having devised a scheme to defraud the City of Philadelphia and its citizens of the right to defendant COREY KEMP's honest services in the affairs of the City of Philadelphia, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing the scheme to defraud, and attempting to do so, knowingly caused to be delivered by the United States mail or by a commercial interstate carrier, according to directions thereon, the items listed below, each use of the United States mail or a commercial interstate carrier being a separate count:

COUNT	DATE	DESCRIPTION
12	2-7-02	NBA All-Star tickets sent by Federal Express from Company No. 1 to RONALD A. WHITE.

COUNT	DATE	DESCRIPTION
13	7-10-03	Invoice for $10,350 for the construction of a deck at COREY KEMP's house sent by United States mail from an affiliate of Company No. 3 to KEMP.
14	8-13-03	USA vs. Puerto Rico basketball tickets sent by Federal Express from a ticket broker in Los Angeles to WHITE in Philadelphia.

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

COUNTS FIFTEEN TO TWENTY-TWO

HONEST SERVICES WIRE FRAUD -- COMMERCE BANK

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 3 to 94, and 169 to 229 of Count One of this indictment are incorporated here.

2. On or about the following dates, in the Eastern District of Pennsylvania and elsewhere, defendants

RONALD A. WHITE,
COREY KEMP,
GLENN K. HOLCK, and
STEPHEN M. UMBRELL,

having devised a scheme to defraud the City of Philadelphia and its citizens of the right to defendant COREY KEMP's honest services in the affairs of the City of Philadelphia, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted, and aided and abetted the transmission of, by means of wire communication in interstate commerce, the signals and sounds described below for each count, each transmission constituting a separate count:

COUNT	DATE	DESCRIPTION
15	8-12-02	An interstate e-mail transmission from STEPHEN M. UMBRELL in Philadelphia to the Chief Executive Officer of Commerce Bancorp, Inc. and other senior executives of Commerce in Cherry Hill, New Jersey regarding COREY KEMP's discussion of the ability of Commerce to be a consultant to the City on cash management matters.
16	11-4-02	An interstate e-mail transmission from STEPHEN M. UMBRELL in Philadelphia to the Chief Executive Officer of Commerce Bancorp, Inc. and other senior executives of Commerce in Cherry Hill, New Jersey regarding COREY KEMP's request for a personal residential mortgage.
17	12-9-02	An interstate facsimile transmission from Commerce Bank in Philadelphia to Commerce Bank, N.A. in Mount Laurel, New Jersey recording the approval of the first mortgage loan to COREY KEMP.
18	12-11-02	An interstate facsimile transmission from Commerce Bank in Philadelphia to Commerce Bank, N.A. in Mount Laurel, New Jersey recording the waiver of conditions to close the first mortgage loan for COREY KEMP.

COUNT	DATE	DESCRIPTION
19	1-29-03	An interstate e-mail transmission from GLENN K. HOLCK in Philadelphia to the Chief Executive Officer of Commerce Bancorp, Inc. in Cherry Hill, New Jersey regarding HOLCK's discussion with RONALD A. WHITE about Commerce Bank obtaining City accounts and an upcoming meeting with COREY KEMP.
20	2-25-03	A telephone conversation between RONALD A. WHITE, in Philadelphia, and the Chief Executive Officer of Commerce Bancorp, Inc., in Cherry Hill, New Jersey, regarding City deposits to Commerce Bank and bond work for Commerce Capital Markets.
21	5-28-03	An interstate cellular telephone conversation between RONALD A. WHITE, in Philadelphia, and GLENN K. HOLCK, at cellular telephone number (609) 560-8043 in New Jersey, regarding the $30 million NTI line of credit.
22	6-2-03	A telephone conversation between RONALD A. WHITE, in Philadelphia, and the Chief Executive Officer of Commerce Bancorp, Inc., in Cherry Hill, New Jersey, regarding the $30 million NTI line of credit.

All in violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNT TWENTY-THREE

HONEST SERVICES MAIL FRAUD -- COMMERCE BANK

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 3 to 94, and 169 to 229 of Count One of this indictment are incorporated here.

2. On or about December 23, 2002, in the Eastern District of Pennsylvania and elsewhere, defendants

RONALD A. WHITE,
COREY KEMP,
GLENN K. HOLCK, and
STEPHEN M. UMBRELL,

having devised a scheme to defraud the City of Philadelphia and its citizens of the right to defendant COREY KEMP's honest services in the affairs of the City of Philadelphia, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing the scheme to defraud, and attempting to do so, knowingly caused to be delivered by Federal Express, a commercial interstate carrier, according to directions thereon, the closing documents for COREY KEMP's first and second mortgages, sent from Commerce Bank, N.A. in Mount Laurel, New Jersey to Paragon Abstract in Wyomissing, Pennsylvania.

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

COUNTS TWENTY-FOUR AND TWENTY-FIVE

WIRE FRAUD -- DECEPTION OF ASLAM KAHN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 118 to 128 of Count One of this indictment are incorporated here.

2. Between in or about February 2003 and in or about May 2003, in the Eastern District of Pennsylvania and elsewhere, defendants

LA-VAN HAWKINS,
RONALD A. WHITE, and
COREY KEMP

devised and intended to devise a scheme to defraud Aslam Kahn, and to obtain property from Kahn by means of false and fraudulent pretenses, representations, and promises, well knowing that the pretenses, representations, and promises were false and fraudulent when made.

3. It was the object of the scheme described in paragraph 2 for defendant LA-VAN HAWKINS to entice Kahn to enter a business transaction with HAWKINS on the false pretense that the City of Philadelphia, represented by WHITE and KEMP, was providing financial backing for the transaction.

4. To carry out the scheme described in paragraph 2, the defendants engaged in the acts described in the incorporated paragraphs of Count One of this indictment.

5. On or about the following dates, in the Eastern District of Pennsylvania and elsewhere, for the purpose of executing the scheme to defraud, defendants

LA-VAN HAWKINS,
RONALD A. WHITE, and
COREY KEMP,

having devised the scheme described above, knowingly caused to be transmitted, and aided and abetted the transmission of, by means of wire communication in interstate commerce, the signals and sounds described below for each count, each transmission constituting a separate count:

COUNT	DATE	DESCRIPTION
24	5-2-03	A telephone conversation between RONALD A. WHITE, in Philadelphia, and LA-VAN HAWKINS, in Detroit, regarding HAWKINS' request that WHITE bring defendant COREY KEMP or another Philadelphia official to a meeting with Aslam Kahn.
25	5-9-03	A telephone conversation between RONALD A. WHITE, in New York City, and COREY KEMP, in Philadelphia, regarding the Kahn meeting.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNTS TWENTY-SIX AND TWENTY-SEVEN

WIRE FRAUD -- J.P. MORGAN PAYMENT OF $50,000

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 102 to 109 of Count One of this indictment are incorporated here.

2. Between in or about March 2003 and on or about October 16, 2003, in the Eastern District of Pennsylvania and elsewhere, defendants

RONALD A. WHITE,
CHARLES LeCROY, and
ANTHONY C. SNELL

devised and intended to devise a scheme to defraud J.P. Morgan, and to obtain money and property from J.P. Morgan by means of false and fraudulent pretenses, representations, and promises, well knowing that the pretenses, representations, and promises were false and fraudulent when made.

3. It was the object of the scheme described in paragraph 2 for defendant RONALD A. WHITE, at the direction of defendants CHARLES LeCROY and ANTHONY C. SNELL, to submit a false invoice to J.P. Morgan seeking the payment of $50,000 for legal work which WHITE did not actually perform. Although knowing that this payment violated municipal securities regulations and contravened J.P. Morgan's previously stated intent, the defendants arranged this payment to secure WHITE's

assistance in obtaining business for J.P. Morgan in Philadelphia, which could result in personal benefit for LeCROY and SNELL.

4. To carry out the scheme described in paragraph 2, the defendants engaged in the acts described in the incorporated paragraphs of Count One of this indictment.

5. On or about the following dates, in the Eastern District of Pennsylvania and elsewhere, for the purpose of executing the scheme to defraud, defendants

RONALD A. WHITE,
CHARLES LeCROY, and
ANTHONY C. SNELL,

having devised the scheme described above, knowingly caused to be transmitted, and aided and abetted the transmission of, by means of wire communication in interstate commerce, the signals and sounds described below for each count, each transmission constituting a separate count:

COUNT	DATE	DESCRIPTION
26	5-23-03	A telephone conversation between RONALD A. WHITE, in Philadelphia, and ANTHONY SNELL, in Atlanta, regarding the payment of the $50,000 invoice submitted by WHITE to J.P. Morgan.
27	5-30-03	A wire transfer of $50,000 sent from the account of J.P. Morgan at Chase Manhattan Bank in Tampa, Florida to the Commerce Bank account of RONALD A. WHITE, P.C., in Philadelphia.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TWENTY-EIGHT

ATTEMPTED EXTORTION OF DARRIC BOYD

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 129 to 147 of Count One of this indictment are incorporated here.

2. Between in or about March 2003 and on or about August 6, 2003, in the Eastern District of Pennsylvania and elsewhere, defendants

RONALD A. WHITE and
COREY KEMP

attempted to obstruct, delay, and affect commerce and the movement of articles and commodities in commerce, by extortion, that is, through the use of actual or threatened fear of economic harm, and under color of official right, and aided, abetted, and willfully caused such an attempt, in that the defendants conditioned the ability of Darric Boyd, an investment broker at Legg Mason, Inc. in Baltimore, Maryland, to obtain funds of the City of Philadelphia for investment on Boyd's success in producing business in Baltimore, Maryland for defendant RONALD A. WHITE and his interests, and on Boyd's agreement to make a political contribution to the reelection campaign of the Mayor of Philadelphia.

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

COUNT TWENTY-NINE

EXTORTION OF ANDRE ALLEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 148 to 168 of Count One of this indictment are incorporated here.

2. Between on or about July 8, 2003 and on or about October 16, 2003, in the Eastern District of Pennsylvania and elsewhere, defendants

RONALD A. WHITE and
COREY KEMP

obstructed, delayed, and affected commerce and the movement of articles and commodities in commerce, and attempted to do so, by extortion, that is, through the use of actual or threatened fear of economic harm, and under color of official right, and aided, abetted, and willfully caused such extortion, in that the defendants conditioned the ability of Andre Allen, a principal of Phoenix Capital Partners, a financial advisory firm, to participate in financial transactions of the City of Philadelphia, including bond deals, on Allen's agreement to make a political contribution to the reelection campaign of the Mayor of Philadelphia, and another contribution to a cause favored by defendant RONALD A. WHITE.

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

COUNT THIRTY

FALSE STATEMENT TO FBI -- JANICE RENEE KNIGHT

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 3 to 168 of Count One are incorporated here.

2. On or about October 16, 2003, in the Eastern District of Pennsylvania, defendants

JANICE RENEE KNIGHT and
RONALD A. WHITE,

in a matter within the jurisdiction of the Federal Bureau of Investigation (FBI), an agency of the United States Department of Justice, knowingly and willfully made a false material statement, and did aid and abet the making of that false statement.

3. Agents of the FBI were investigating the existence of the honest services fraud conspiracy charged in Count One of this indictment. A material question in this inquiry was whether COREY KEMP arranged for business for RPC Unlimited, Inc.

4. With respect to this material matter, defendant JANICE RENEE KNIGHT, acting with the assistance of defendant RONALD A. WHITE, stated to the agents that KEMP did not assist in obtaining business for RPC. Specifically, she stated that she spoke to KEMP only infrequently, only about "time lines" for printing jobs, and that he had never given her any assistance in getting contracts, nor given her any information on printing costs for specific deals. These statements were false, as KNIGHT

and WHITE then knew, as explained in the incorporated paragraphs of Count One of this indictment.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT THIRTY-ONE

FALSE STATEMENT TO FBI -- JANICE RENEE KNIGHT

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 3 to 168 of Count One are incorporated here.

2. On or about October 16, 2003, in the Eastern District of Pennsylvania, defendants

JANICE RENEE KNIGHT and
RONALD A. WHITE,

in a matter within the jurisdiction of the Federal Bureau of Investigation (FBI), an agency of the United States Department of Justice, knowingly and willfully made a false material statement, and did aid and abet the making of that false statement.

3. Agents of the FBI were investigating the existence of the honest services fraud conspiracy charged in Count One of this indictment. A material question in this inquiry was whether RONALD A. WHITE obtained business for RPC Unlimited, Inc. from the City of Philadelphia and others.

4. With respect to this material matter, defendant JANICE RENEE KNIGHT, acting with the assistance of defendant RONALD A. WHITE, stated to the agents that WHITE did not assist RPC in obtaining business. Specifically, she stated that WHITE had no part in getting work for RPC, and, after introducing her to RPC's "mentor company," Packard Press, and helping her incorporate RPC in 1998, WHITE had no

involvement with RPC thereafter. These statements were false, as KNIGHT and WHITE then knew, as explained in the incorporated paragraphs of Count One of this indictment.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT THIRTY-TWO

FALSE STATEMENT TO FBI -- JANICE RENEE KNIGHT

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 110 to 112 of Count One are incorporated here.

2. On or about October 16, 2003, in the Eastern District of Pennsylvania, defendants

JANICE RENEE KNIGHT and
RONALD A. WHITE,

in a matter within the jurisdiction of the Federal Bureau of Investigation (FBI), an agency of the United States Department of Justice, knowingly and willfully made a false material statement, and did aid and abet the making of that false statement.

3. Agents of the FBI were investigating the existence of the honest services fraud conspiracy charged in Count One of this indictment. A material question in this inquiry was whether RONALD A. WHITE created a sham consulting contract with Company No. 4 in the name of Renee Enterprises in order to be surreptitiously rewarded for his assistance in acquiring Philadelphia business for Company No. 4.

4. With respect to this material matter, defendant JANICE RENEE KNIGHT, acting with the assistance of defendant RONALD A. WHITE, stated to the agents that neither she nor Renee Enterprises had any contracts with any financial services firms. This statement was false, as KNIGHT and WHITE then knew, as explained in the incorporated paragraphs of Count One of this indictment.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT THIRTY-THREE

FALSE STATEMENT TO FBI -- RONALD A. WHITE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 3 to 168 of Count One are incorporated here.

2. On or about October 16, 2003, in the Eastern District of Pennsylvania, defendant

RONALD A. WHITE,

in a matter within the jurisdiction of the Federal Bureau of Investigation (FBI), an agency of the United States Department of Justice, knowingly and willfully made a false material statement.

3. Agents of the FBI were investigating the existence of the honest services fraud conspiracy charged in Count One of this indictment. A material question in this inquiry was whether RONALD A. WHITE obtained business for RPC Unlimited, Inc., a company nominally owned by his paramour, JANICE RENEE KNIGHT, from the City of Philadelphia and others.

4. With respect to this material matter, defendant RONALD A. WHITE stated to the agents that he was the attorney for RPC, but had no role in directing any business to RPC. This statement was false, as WHITE then knew, as explained in the incorporated paragraphs of Count One of this indictment.

In violation of Title 18, United States Code, Section 1001.

COUNT THIRTY-FOUR

FALSE STATEMENT TO FBI -- RONALD A. WHITE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 110 to 112 of Count One are incorporated here.

2. On or about October 16, 2003, in the Eastern District of Pennsylvania, defendant

RONALD A. WHITE,

in a matter within the jurisdiction of the Federal Bureau of Investigation (FBI), an agency of the United States Department of Justice, knowingly and willfully made a false material statement.

3. Agents of the FBI were investigating the existence of the honest services fraud conspiracy charged in Count One of this indictment. A material question in this inquiry was whether RONALD A. WHITE created a sham consulting contract for Renee Enterprises, a company nominally controlled by his paramour JANICE RENEE KNIGHT, with Company No. 4 in order for WHITE to be surreptitiously rewarded for his assistance in acquiring Philadelphia business for Company No. 4.

4. With respect to this material matter, defendant RONALD A. WHITE denied to the agents that he had any role in the Company No. 4 contract with Renee Enterprises. Specifically, he stated that Company No. 4 retained Renee Enterprises as a consultant to steer business to Company No. 4, but he did not know the terms of the

contract, or how much was payable on a monthly basis, saying, “I didn’t negotiate the terms of the contract.” These statements were false, as WHITE then knew, as explained in the incorporated paragraphs of Count One of this indictment.

In violation of Title 18, United States Code, Section 1001.

COUNT THIRTY-FIVE

FALSE STATEMENT TO FBI -- DENIS CARLSON

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 3 to 117 of Count One are incorporated here.

2. From in or about 1999 to in or about February 2002, defendant DENIS CARLSON was a senior vice-president of Commerce Capital Markets. In this capacity, he served as the lead underwriter on the City of Philadelphia general obligation bond issuance which closed in or about January 2001. Because of concerns about his performance in that transaction, the then-Treasurer of the City (COREY KEMP's predecessor) and the Finance Director resolved that CARLSON would not be selected as the lead underwriter on another transaction, and they communicated that view to KEMP, who was Deputy Treasurer at the time.

3. In or about February 2002, CARLSON left Commerce Capital Markets and became a senior vice-president and Director of Public Finance of Janney Montgomery Scott. In this capacity, he continued to solicit investment banking business from the City, cultivating a relationship with RONALD A. WHITE and City Treasurer KEMP in order to do so. In part, CARLSON agreed to make contributions of $10,000 per year to the Youth Leadership Foundation, a charity established by WHITE, and gave, and arranged for two other Janney executives to give, a total of $5,000 to WHITE's Citizen's Action PAC on or about April 18, 2002. CARLSON also endeavored to deliver

printing business to RPC Unlimited, Inc., knowing that WHITE had an interest in that company. For example, in a call on or about February 19, 2003, CARLSON repeatedly mentioned to WHITE that CARLSON had arranged for RPC to be hired as the financial printer on two bond deals which were not set up by the Philadelphia City Treasurer's Office, in which Janney Montgomery Scott was involved.

4. In return, WHITE often directed City Treasurer KEMP to select Janney Montgomery Scott for participation in bond deals. For example, on or about April 28, 2003, CARLSON met with WHITE in WHITE's office, and during the meeting WHITE called KEMP and directed KEMP to include Janney Montgomery Scott as a co-manager on an airport bond issuance (which ultimately was not issued).

5. With the intent to influence KEMP in the performance of his official duties, CARLSON permitted KEMP to use a condominium owned by CARLSON in the Camelback resort area in the Poconos Mountains in eastern Pennsylvania. CARLSON gave KEMP the use of the condominium for one week at the end of July 2003, and also for a separate week during the preceding year. KEMP in turn recommended that Janney Montgomery Scott participate in bond deals, including in the senior underwriter position, despite his superior's and predecessor's views that that should not take place with respect to CARLSON.

6. Janney Montgomery Scott had received little City of Philadelphia business in the two years before CARLSON's arrival, earning only $29,412 as a co-

manager on the 2001 general obligation issuance (the same deal on which Commerce Capital Markets, with CARLSON as the senior manager, earned $738,415 as the lead underwriter). Then, Janney earned $119,000 on the Protestant Home Revenue Bonds Series 2002, which closed on or about December 13, 2002, as a remarketing agent; earned $117,547 as the senior manager for the Hospital and Higher Education Facilities Authority Revenue Bond (MR Project), which closed on or about July 24, 2003; and earned $221,340 as a co-manager on the general obligation (GO) deal which closed on or about December 2, 2003.

7. At the time that KEMP was considering the selection of Janney to participate in the GO issuance, he received a promise from CARLSON for the second use of CARLSON's condominium. Then, on or about July 9, 2003, KEMP told CARLSON that Janney would be the co-senior underwriter on the GO deal. CARLSON said, "that's fantastic, I appreciate that." KEMP then said, "The second thing I just wanted to tell you, uh, I was looking at the week of, the week of the 28th." CARLSON said, "That's fine." KEMP said, "Up in the mountains." CARLSON said, "I gotta get you the key again . . . you gave the thing back, right?" KEMP answered, "yeah, I gave it back to you." CARLSON said, "I'll get you another key." KEMP said, "Yeah, I'll probably be up there from Monday through Saturday."

8. On or about October 17, 2003, in the Eastern District of Pennsylvania, defendant

DENIS CARLSON,

in a matter within the jurisdiction of the Federal Bureau of Investigation (FBI), an agency of the United States Department of Justice, knowingly and willfully made a false material statement.

9. Agents of the FBI were investigating whether the relationship among COREY KEMP, RONALD A. WHITE, and DENIS CARLSON involved a breach of the duty of honest services owed by KEMP to the City and citizens of Philadelphia. A material question in this inquiry was whether defendant DENIS CARLSON acted to benefit WHITE and RPC in order to improve CARLSON's chances of winning business from the City.

10. With respect to this material matter, CARLSON stated to the agents that he did not rely on WHITE's assistance in obtaining business. Specifically, he stated that he was not aware of any influence WHITE had in City financial transactions; that he often used WHITE because he was qualified minority counsel, and gave WHITE more business than he received from WHITE; and that he was unaware of any connection between WHITE and RPC, nor whether WHITE and JANICE RENEE KNIGHT knew each other. These statements were false, as CARLSON then knew, as explained above.

In violation of Title 18, United States Code, Section 1001.

COUNT THIRTY-SIX

FALSE STATEMENT TO FBI -- DENIS CARLSON

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 to 7 of Count Thirty-Five are incorporated here.

2. On or about October 17, 2003, in the Eastern District of Pennsylvania, defendant

DENIS CARLSON,

in a matter within the jurisdiction of the Federal Bureau of Investigation (FBI), an agency of the United States Department of Justice, knowingly and willfully made a false material statement.

3. Agents of the FBI were investigating whether the relationship among COREY KEMP, RONALD A. WHITE, and DENIS CARLSON involved a breach of the duty of honest services owed by KEMP to the City and citizens of Philadelphia. A material question in this inquiry was whether defendant CARLSON gave KEMP the use of CARLSON's condominium with the intent to influence KEMP in the award of investment banking business to Janney Montgomery Scott.

4. With respect to this material matter, CARLSON stated to the agents that his permission allowing KEMP to use the condominium was not given in exchange for KEMP's assistance in getting Janney Montgomery Scott selected to participate in City

bond deals. This statement was false, as CARLSON then knew, as explained in the incorporated paragraphs of Count Thirty-Five.

In violation of Title 18, United States Code, Section 1001.

COUNT THIRTY-SEVEN

PERJURY -- LA-VAN HAWKINS

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 3 to 36, and 118 to 128 of Count One are incorporated here.

2. On or about February 24, 2004, in the Eastern District of Pennsylvania, defendant

LA-VAN HAWKINS,

while under oath and testifying in a proceeding before a grand jury of the United States in the Eastern District of Pennsylvania, knowingly made a false material declaration.

3. The grand jury empaneled on or about September 5, 2003 was conducting an investigation to determine, in part, whether LA-VAN HAWKINS and RONALD A. WHITE paid $10,000 to COREY KEMP in 2002 with the intent to influence KEMP in the performance of his official duties as Treasurer of the City. It was material to this investigation to determine the purpose of the payment made by HAWKINS to KEMP, for $5,000, on or about March 10, 2002.

4. With respect to this material matter, HAWKINS testified as follows, at pages 21 to 24 of the transcript:

Q. And what was the circumstances of the third meeting?

A. Ron and Corey came to my office.

Q. Why did they come to your office?

A. They came to my office. Ron asked me to write Corey a check.

Q. So they came to your office and then Ron said I would like you to write Corey a check?

A. Yes. Said he wanted to give Corey, as a matter of fact, a wedding gift.

. . . .

Q. Did he tell you how much he wanted you to write the check for?

A. Yes.

Q. What did he say?

A. Five thousand dollars.

Q. Did he tell you why he wanted you to write that check?

A. Yes, sir, he wanted me to, it was going to be a wedding gift to Corey.

. . . .

Q. And did you ask Ron any questions about I barely know this guy, why should I write him a check?

A. No. What ended up happening is that Ron asked me to write Corey a check for five thousand dollars and then what ended up happening is that I wrote the check to Corey and then what ended up happening was, is that Ron was going to transfer the five thousand dollars, what ended up happening is that it didn't happen. So that check that ended up being wrote ended up being not cashed.

Q. When you say "not being cashed," what do you mean?

A. I mean, in other words, the five thousand dollars was never put in the bank. So the check went through the bank. It went through the account. As a matter of fact it wasn't any good.

5. In this testimony, LA-VAN HAWKINS represented that he wrote a check to COREY KEMP at the request of RONALD A. WHITE on or about March 10, 2002, as a wedding gift, with the expectation that WHITE would reimburse him for the check, and that the check did not clear. This testimony was false, as HAWKINS then and there well knew and believed, in that the check did clear, and the funds were given to KEMP by HAWKINS and WHITE with the intent to influence KEMP in his official conduct, and not for a wedding present to KEMP, who actually had been married nearly two years earlier on or about July 12, 2000.

In violation of Title 18, United States Code, Section 1623.

COUNT THIRTY-EIGHT

PERJURY -- LA-VAN HAWKINS

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 3 to 36, and 118 to 128 of Count One are incorporated here.

2. On or about February 24, 2004, in the Eastern District of Pennsylvania, defendant

LA-VAN HAWKINS,

while under oath and testifying in a proceeding before a grand jury of the United States in the Eastern District of Pennsylvania, knowingly made a false material declaration.

3. The grand jury empaneled on or about September 5, 2003 was conducting an investigation to determine, in part, whether LA-VAN HAWKINS and RONALD A. WHITE paid $10,000 to COREY KEMP in 2002 with the intent to influence KEMP in the performance of his official duties as Treasurer of the City of Philadelphia. It was material to this investigation to determine the purpose of the payment made by HAWKINS to KEMP, for $5,000, in or about September and October 2002.

4. With respect to this material matter, HAWKINS testified as follows, at pages 33 to 36 of the transcript:

Q. And tell me about the circumstances of that check.

A. That check as a matter of fact was the check I gave Ron as a part of a deal that he was working on as a matter of fact for five thousand dollars.

Q. So you gave this check to Ron?

A. Yes, sir.

Q. It was for five thousand dollars?

A. Yes, sir.

Q. And it was not made out when you gave it to him?

A. Yes.

Q. You gave him a blank check?

A. No. I wrote in five thousand dollars and put my signature on it and put the five thousand dollars in it, but it was not, the paid to was not filled out.

Q. Tell me how that, how did that work, that Mr. White asked you for a check for five thousand dollars.

A. Well, he asked me for a check for five thousand dollars and I wrote him a check for five thousand dollars. And what happened was is that I believe that he going to make it out to somebody but he wanted me to write the check so I did.

. . . .

Q. What deal did this relate to?

A. It related to the Burger King, as a matter of fact the Burger King transaction that was going on. Ron had set up, he had the African-American newspapers that was in town, Ron was representing them. And as a matter of fact what ended up happening is I went in and spoke to them. So as a part of that that's where it came from.

Q. I guess I'm confused. I thought you said this was a part of the Burger King deal that, Burger King deal that you were working on?

A. It was. Burger King and we had the franchises but you had the African-American newspapers that we were doing business with.

Q. You were doing business with the African-American newspapers?

A. Yes, sir.

Q. At the same time that you owned Burger King?

A. Yes, sir.

Q. How is it that you wrote Mr. White this check for five thousand dollars? I don't understand the connection between the two.

A. Ron was representing me as a matter of fact as a part of the deal. So what ended up happening was is I ended up writing a check for five thousand dollars. What I was under the impression was going to happen is that Ron was giving it to the African-American newspapers.

Q. So he was going to give them a check. What was he going to give them that check for?

A. What he was doing was he was giving African-American newspapers, as a matter of fact they were helping me in my case against Burger King.

5. LA-VAN HAWKINS further testified that a check given to him by RONALD A. WHITE on or about September 23, 2003, two days before the date of the second HAWKINS check paid to KEMP, was not given to him to reimburse him for the check to KEMP. He testified at pages 44 to 45 of the transcript as follows:

Q. And your testimony is that this was not a check to reimburse you for that check that was written to Corey Kemp on September 25, 2002 which is page two of Grand Jury Exhibit 306 in front of you?

A. No, sir. That's a possibility that's the five thousand he written to me could have been for the first check but not for the second check.

Q. So this check number 486 could have been to reimburse you for a check for the first check which is a March 10, 2002 check.

A. Yes, sir. Or it could have been a part of the 40 thousand dollars that I loaned Ron White.

Q. So you loaned Ron White 40 thousand dollars?

A. Yes, sir.

Q. When did you loan him that?

A. It was in 2000 -- I believe it was in 2002.

Q. Do you recall when that was?

A. No, sir.

Q. What was the purpose of the loan?

A. [He] asked me to loan him 40 grand and I did.

Q. Do you know why he needed the 40 grand?

A. No, I didn't get into his business.

Q. What account did you take it out of?

A. As a matter of fact I don't think I took it out of an account. As a matter of fact I believe it was cash.

Q. Where did you get that 40 thousand in cash from?

A. Mr. Zack, I think you already know that I'm a multimillionaire. So 40 thousand dollars, you know, I'm sorry, that 40 thousand dollars just came out of my money.

Q. And I'm aware of that, Mr. Hawkins. You're right. If I could get you to be more specific as to where physically you got it, did you get it from --

A. Out of my drawer.

Q. Your drawer in your office?

A. Yes, sir.

6. In this testimony, LA-VAN HAWKINS stated that he did not knowingly write a check in or about September 2002 to COREY KEMP for $5,000, but rather gave RONALD A. WHITE a check with a blank payee line which HAWKINS believed WHITE intended to give to African-American newspapers; and that WHITE did not contemporaneously reimburse him for the check. This testimony of LA-VAN HAWKINS, as he then and there well knew and believed, was false, in that HAWKINS gave the check to WHITE with the purpose of acting as a conduit in WHITE's payment of $5,000 to KEMP, and never had any purpose in giving this check regarding African-American newspapers.

In violation of Title 18, United States Code, Section 1623.

COUNT THIRTY-NINE

PERJURY -- LA-VAN HAWKINS

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 3 to 36, and 118 to 128 of Count One are incorporated here.

2. On or about February 24, 2004, in the Eastern District of Pennsylvania, defendant

LA-VAN HAWKINS,

while under oath and testifying in a proceeding before a grand jury of the United States in the Eastern District of Pennsylvania, knowingly made a false material declaration.

3. The grand jury empaneled on or about September 5, 2003 was conducting an investigation to determine, in part, whether LA-VAN HAWKINS and RONALD A. WHITE participated in an effort to give money and other benefits to COREY KEMP with the intent to influence KEMP in the performance of his official duties as Treasurer of the City of Philadelphia. It was material to this investigation to determine HAWKINS' role in a party held at HAWKINS' restaurant, Sweet Georgia Brown, in Detroit, Michigan, on or about April 4, 2003, to which WHITE, KEMP, JANICE RENEE KNIGHT, and KEMP's female friend traveled in a private plane, for the purpose of celebrating WHITE and KNIGHT's "anniversary."

4. With respect to this material matter, HAWKINS testified as follows, at pages 110 to 111 of the transcript:

Q. Mr. Hawkins, do you recall a time in April of last year that you had a party at Sweet Georgia Brown that Mr. White was involved with, in early April of 2003.

A. Early April 2003.

Q. Yeah. That's correct.

A. No, sir.

Q. Did you ever have a party at your restaurant for Janice Knight?

A. No, sir.

Q. Has Mr. Kemp ever been in your restaurant?

A. Mr. Kemp I'm sure has been there as a customer. Never been there with me.

Q. By your restaurant I mean Sweet Georgia Brown in Detroit?

A. He's never been to Sweet Georgia Brown with me. What I'm saying to you he may have been there as a customer on his own. Can't say if he did or didn't. But if you're asking me did I give a party for Janice Knight where he was there the answer to that would be no.

5. This testimony of LA-VAN HAWKINS, as he then and there well knew and believed, was false, in that HAWKINS arranged and attended the party in honor of JANICE RENEE KNIGHT and RONALD A. WHITE on or about April 4, 2003, which KEMP attended.

In violation of Title 18, United States Code, Section 1623.

COUNT FORTY

PERJURY -- LA-VAN HAWKINS

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 3 to 36, and 118 to 128 of Count One are incorporated here.

2. On or about February 24, 2004, in the Eastern District of Pennsylvania, defendant

LA-VAN HAWKINS,

while under oath and testifying in a proceeding before a grand jury of the United States in the Eastern District of Pennsylvania, knowingly made a false material declaration.

3. The grand jury empaneled on or about September 5, 2003 was conducting an investigation to determine, in part, whether LA-VAN HAWKINS engaged RONALD A. WHITE and COREY KEMP to perform a fictitious role to persuade Aslam Kahn, a businessman from whom HAWKINS wished to purchase restaurants, that HAWKINS had the financial backing of City of Philadelphia in the transaction. It was material to this investigation to determine the purpose for which WHITE and KEMP attended a meeting conducted by HAWKINS with Kahn in New York City on or about May 8, 2003.

4. With respect to this material matter, HAWKINS testified as follows, at pages 69 to 70 and 108 to 110 of the transcript:

Q. And what was Mr. Kemp doing there?

A. I don't know. He was with Mr. White.

. . . .

Q. Did you know he was coming in advance?

A. No, sir.

Q. So you did not know that Corey Kemp was coming to this meeting in May of 2003 before you saw him that day; is that correct?

A. I don't believe. I'm not for sure.

Q. Do you remember when you first learned that Mr. Kemp was going to attend that May 2003 meeting?

A. I'm not for sure. When I -- when Ron came in he had Corey Kemp with him. Don't know if Ron told me that prior to or if Corey showed up with Ron.

Q. Did you ever ask Ron White to bring Corey Kemp with him to that meeting?

A. I believe what I asked was for Ron to bring somebody that could give him the outlay of the City, that could lay it out from the standpoint of properties and all the things that Mr. Kahn would have to do.

. . . .

Q. My question was your discussion with Mr. Kahn about the future of Church's was separate from Mr. White and Mr. Kemp's discussion with Mr. Kahn?

A. Absolutely.

Q. So it's your testimony that what you were doing in part of the day when Mr. Kahn met with Mr. White and Mr. Kemp is you were just facilitating that meeting?

A. Absolutely.

Q. But that was not your focus.

A. No, sir.

Q. You had a different business matter going on with Mr. Kahn?

A. Absolutely.

. . . .

Q. Had he not asked that he never had to meet Mr. White?

A. Never would of met Mr. White.

Q. Would not have needed to bring White or Kemp in order to facilitate what you were doing with Mr. Kahn?

A. That's correct.

5. In this testimony, LA-VAN HAWKINS stated that it was not necessary to his business discussion with Aslam Kahn that WHITE and KEMP attend the meeting, but rather HAWKINS simply arranged the attendance of WHITE and KEMP at Kahn's request because Kahn was interested in pursuing a separate matter involving investment in Philadelphia. This testimony of LA-VAN HAWKINS, as he then and there well knew and believed, was false, in that HAWKINS specifically asked WHITE to bring KEMP to the meeting to pretend that HAWKINS had access to City pension funds to pursue the transaction in which HAWKINS wished to engage with Kahn.

In violation of Title 18, United States Code, Section 1623.

COUNTS FORTY-ONE TO FORTY-FOUR

FALSE STATEMENTS TO BANK -- FLORIDA HOUSE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 78 to 94 of Count One are incorporated here.

2. Commerce Bank, N.A. was a financial institution located in New Jersey, the deposits of which were insured by the Federal Deposit Insurance Corporation.

3. On or about the following dates, in the Middle District of Florida, the District of New Jersey, and elsewhere, defendant

RONALD A. WHITE

knowingly made and caused to be made to Commerce Bank, N.A. the following false statements for the purpose of influencing the actions of Commerce Bank, N.A. upon two loans, that is, a $1,040,000 first mortgage loan and a $130,000 second mortgage loan used to purchase the residence located at 9053 Terranova Drive, Naples, Florida., when, in truth and fact, the defendant then well knew the following statements were false:

COUNT	DATE	FALSE STATEMENT
41	8-28-03	A false declaration to the question on the Uniform Residential Loan Application requiring an explanation of the "source of down payment, settlement charges, and/or subordinate financing," to which WHITE answered "savings," when, in fact, WHITE had borrowed money for the down payment and had not disclosed this to Commerce Bank.
42	8-28-03	A false declaration to the question on the Uniform Residential Loan Application, "is any part of the down payment borrowed," to which WHITE answered "no," when, in fact, WHITE had borrowed money for the down payment and had not disclosed this to Commerce Bank.
43	10-10-03	A false declaration to the question on the Uniform Residential Loan Application requiring an explanation of the "source of down payment, settlement charges, and/or subordinate financing," to which WHITE answered "savings," when, in fact, WHITE had borrowed money for the down payment and had not disclosed this to Commerce Bank.
44	10-10-03	A false declaration to the question on the Uniform Residential Loan Application, "is any part of the down payment borrowed," to which WHITE answered "no," when, in fact, WHITE had borrowed money for the down payment and had not disclosed this to Commerce Bank.

All in violation of Title 18, United States Code, Section 1014.

COUNTS FORTY-FIVE TO FORTY-SEVEN

FALSE STATEMENTS TO BANK -- CHURCH LOAN SCHEME

THE GRAND JURY FURTHER CHARGES THAT:

Introduction

1. At all times relevant to this indictment:

a. The St. James Chapel Church, Church of God in Christ ("the Church"), was a non-profit religious corporation located at 11 South 9th Street, Reading, Pennsylvania, organized pursuant to the laws of the Commonwealth of Pennsylvania. The Church's steering committee was made up of approximately ten Church members, met approximately weekly since approximately 2001, and advised the pastor of the Church about, among things, important financial transactions.

b. Defendant COREY KEMP, while serving as the Deputy Treasurer of the City of Philadelphia from 2000 until April 2002, and then as Treasurer of the City of Philadelphia thereafter, was also a member of the Church and its steering committee and handled many of the Church's financial affairs and accounting matters.

c. Defendant FRANCIS D. McCRACKEN was the pastor of the Church and the head of the steering committee, and had authority to sign checks on many of the Church's bank accounts. He owned several shell corporations including, among others, Berks County Resource Consortium, Inc. ("BCRCI"), Framco LLC, and Berks Training Institute, Inc.

d. Jose Mendoza (charged in a previous indictment in this case) was employed by defendant FRANCIS D. McCRACKEN to perform construction and other work at the Church and at other properties McCRACKEN owned.

e. Commerce Bank/Pennsylvania, N.A. ("Commerce Bank") was a financial institution located in Philadelphia, Pennsylvania, the deposits of which were insured by the Federal Deposit Insurance Corporation.

The Loan Fraud Scheme

2. Between approximately the spring of 2003 and on or about June 25, 2003, defendants COREY KEMP and FRANCIS D. McCRACKEN, on behalf of the Church, applied for and obtained a $480,000 construction loan from Commerce Bank to renovate and repair the Church building.

3. As part of the loan application process, KEMP and McCRACKEN prepared a budget representing that they intended to spend $700,000, including $220,000 of the Church's own money, to renovate the Church. The budget did not include any payments to KEMP or McCRACKEN or to pay their personal expenses.

4. Commerce Bank required McCRACKEN to execute a loan agreement and a mortgage agreeing for the Church to pay back the $480,000 loan. These loan documents provided that the proceeds of the loan could not be used for personal expenses and could only be used to pay for construction costs actually incurred.

5. From in or about mid-June 2003 through on or about June 25, 2003, KEMP and McCRACKEN asked Commerce Bank, which already was providing other benefits to KEMP, to advance $115,898.37 of the loan proceeds at the loan closing even though the loan documents did not provide for such an advance. Commerce Bank agreed to advance the funds based on KEMP's position as Treasurer of the City of Philadelphia, and based on McCRACKEN's claims that they had outstanding invoices for renovations already performed on the Church building.

6. In support of their request for this advance, KEMP and McCRACKEN manufactured invoices on BCRCI letterhead falsely listing construction expenses when, in fact, the Church had not incurred those expenses. KEMP and McCRACKEN also concealed McCRACKEN's ownership of BCRCI by, among other things, enlisting Jose Mendoza to falsely claim that he was the "general manager" of BCRCI and sign documents on behalf of BCRCI falsely representing that Mendoza controlled BCRCI.

7. Between approximately June 20, 2003 and the June 25, 2003 closing of the construction loan, KEMP and McCRACKEN submitted to Commerce Bank the false BCRCI invoices they manufactured, representing that BCRCI had billed the Church approximately $41,000 for work performed, and that the invoices were unpaid and were for expenses they had actually incurred in connection with renovation of the Church when, in fact, those expenses had not been incurred as listed.

8. On or about June 25, 2003, KEMP and McCRACKEN submitted invoices to Commerce Bank purporting to show that a construction company that had performed work on the Church had invoiced the Church for $51,873.09 in connection with work done on the Church, when, in fact, as they knew, that company had only invoiced the Church for approximately $39,000.

9. Commerce Bank accepted the invoices submitted by KEMP and McCRACKEN at face value and, contrary to its ordinary procedures, did not inspect the property or require any verification that the claimed work had been performed.

10. Relying on the false and fraudulent invoices submitted by KEMP and McCRACKEN, on or about June 25, 2003, Commerce Bank advanced $115,898.37 to the Church.

11. On or about June 25, 2003, to avoid the oversight of Church members and employees, KEMP and McCRACKEN did not deposit the loan advance into the regular Church bank accounts and instead diverted it into a bank account controlled by McCRACKEN and KEMP at Leesport Bank. Within two days, KEMP and McCRACKEN caused approximately $10,000 of the loan proceeds to be paid to KEMP in two checks drawn on the Leesport Bank account.

12. Between on or about June 25, 2003 and in or about October 2003, KEMP and McCRACKEN did not remit all of the proceeds of the advance to pay construction expenses and diverted more than $50,000 of the proceeds for their own

benefit. The purposes for which they used the funds included payments on KEMP's mortgage and automobile loan with Commerce Bank, for KEMP's utilities, for a landscaper for KEMP's property, for McCRACKEN's delinquent City of Reading tax bill for $12,417.93, and for McCRACKEN's daughter's tuition at Kutztown University.

13. KEMP and McCRACKEN also discussed a plan to use $50,000 of the funds loaned to the Church to invest on their personal behalf in a private investment opportunity offered by RONALD A. WHITE to develop a racetrack/casino at the Philadelphia Naval Yard, as described in paragraph 32 of Count One of this indictment. This plan did not come to fruition, however, by the time the defendants' criminal conduct came to light.

14. Between early 2003 and October 2003, KEMP and McCRACKEN made false, incomplete, and misleading statements to the Church's steering committee and others to conceal the fact that they had obtained the loan advance based on false and fraudulent statements about the expenses they had incurred in renovating the Church, and that they had diverted proceeds which were purported to be for the Church's use for their own benefit.

15. On or about June 25, 2003, in the Eastern District of Pennsylvania, the defendants listed below knowingly made and caused to be made to Commerce Bank the following false statements for the purpose of influencing the actions of Commerce Bank

upon a loan, that is, a $480,000 construction loan to renovate the Church, when, in truth and fact, as the defendants then well knew, the following statements were false:

COUNT	DEFENDANTS	FALSE STATEMENT
45	COREY KEMP FRANCIS D. McCRACKEN	A fraudulent invoice in the name of a company which had performed work on the Church, which purported to show that the company had invoiced the Church for $51,873.09 when it had only invoiced the Church for approximately $39,000.
46	COREY KEMP FRANCIS D. McCRACKEN	Fraudulent invoices on BCRCI letterhead showing that BCRCI had invoiced the Church approximately $41,000 when, in fact, BCRCI was a shell corporation and had performed no work at the Church.
47	COREY KEMP FRANCIS D. McCRACKEN	A "contract" between the Church and BCRCI which concealed McCRACKEN's ownership of BCRCI and falsely stated that Jose Mendoza was the "general manager" of BCRCI.

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNTS FORTY-EIGHT TO FIFTY-ONE

MONEY LAUNDERING -- CHURCH LOAN SCHEME

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 14 of Counts Forty-Five to Forty-Seven of this indictment are incorporated here.

2. Between on or about June 25, 2003 and in or about October 2003, to conceal the fact that they had not used the fraudulently obtained proceeds of the $115,898.37 loan advance from Commerce Bank to pay for construction expenses, and to avoid the oversight of the Church bookkeeper and others, defendants COREY KEMP and FRANCIS D. McCRACKEN failed to deposit the proceeds of the loan in the regular Church accounts and instead transferred them to an account held at Leesport Bank controlled by McCRACKEN known as the "Pastor's Aid Account."

3. To conceal the fact that they had diverted the fraudulently obtained proceeds of the loan advance and the fact that the proceeds were being used to, among other things, pay KEMP's personal expenses, KEMP and McCRACKEN caused approximately $18,000 of checks representing the fraudulently obtained loan proceeds drawn on the Pastor's Aid Account to be deposited into an account at Sovereign Bank known as the "St. James Aid Account." The St. James Aid Account was used by the Church for a "bill management program," in which Church members who desired

assistance in managing their financial affairs could deposit funds and then assure that their essential bills were paid by the Church bookkeeper.

4. Between on or about August 1, 2003 and in or about October 2003, after moving $18,000 from the Pastor's Aid Account at Leesport Bank to the St. James Aid Account at Sovereign Bank, KEMP and McCRACKEN directed that KEMP's personal expenses be paid out of these funds, thereby concealing the fact that the source of the funds was the fraudulently obtained proceeds of the construction loan.

5. On or about the dates set forth below, in the Eastern District of Pennsylvania and elsewhere, defendants

COREY KEMP and
FRANCIS D. McCRACKEN

knowingly conducted and attempted to conduct, and aided, abetted, and willfully caused, the following financial transactions affecting interstate commerce:

COUNT	DATE	DESCRIPTION
48	7-8-03	A $4,000 check drawn on the Pastor's Aid Account and made out to St. James Chapel, which was deposited into the St. James Aid Account.
49	8-1-03	A $4,000 check drawn on the Pastor's Aid Account and made out to St. James Chapel, which was deposited into the St. James Aid Account.

COUNT	DATE	DESCRIPTION
50	8-14-03	A $6,000 check drawn on the Pastor's Aid Account and made out to St. James Chapel, which was deposited into the St. James Aid Account.
51	10-6-03	A $4,000 check drawn on the Pastor's Aid Account and made out to St. James Chapel, which was deposited into the St. James Aid Account.

6. When conducting, aiding, abetting, and willfully causing the financial transactions described in paragraph 5 above, defendants COREY KEMP and FRANCIS D. McCRACKEN knew that the property involved in those financial transactions represented the proceeds of some form of unlawful activity, namely the violations of Title 18, United States Code, Section 1014 charged in Counts Forty-Five to Forty-Seven of this indictment.

7. The financial transactions described in paragraph 5 above involved the proceeds of a specified unlawful activity, that is, false statements to a financial institution to obtain a loan, in violation of Title 18, United States Code, Section 1014, and defendants COREY KEMP and FRANCIS D. McCRACKEN acted with the knowledge that the transactions were designed, in whole or in part, to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the specified unlawful activity.

All in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

COUNTS FIFTY-TWO TO FIFTY-SEVEN

MAIL FRAUD IN WELFARE-TO-WORK PROGRAM

THE GRAND JURY FURTHER CHARGES THAT:

Introduction

1. Paragraph 1 of Counts Forty-Five to Forty-Seven of this indictment is incorporated here.

2. Rhonda M. Anderson (charged in a previous indictment in this case) was an attorney licensed to practice in the Commonwealth of Pennsylvania whom defendants COREY KEMP and FRANCIS D. McCRACKEN enlisted to assist them in writing applications for state and federal grant money.

3. The St. James Community Development Corporation ("CDC") was a non-profit corporation incorporated by Anderson at the direction of defendants COREY KEMP and FRANCIS D. McCRACKEN to obtain funds from various sources including state and federal agencies and to operate a state-funded welfare-to-work program.

The Scheme to Defraud

4. From in or about early 2001 to on or about January 7, 2004, defendants

COREY KEMP and
FRANCIS D. McCRACKEN,

and others known and unknown to the grand jury, devised and intended to devise a scheme to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

It was part of the scheme that:

5. In or about early 2001, defendants COREY KEMP and FRANCIS D. McCRACKEN hired Anderson to assist them in applying for a grant from the Pennsylvania Department of Public Welfare ("DPW") to operate a welfare-to-work program called the Community Connections Initiative ("CCI").

6. DPW required potential operators of the CCI program to submit applications listing their qualifications and describing what they intended to do with the grant funds.

7. Defendants COREY KEMP and FRANCIS D. McCRACKEN directed Anderson to falsely state in the grant application that two shell corporations McCRACKEN owned, Berks County Resource Consortium, Inc. ("BCRCI") and Berks Training Institute, Inc. ("BTI"), would perform consulting, advocacy, and training services for CDC. KEMP and McCRACKEN also directed Anderson to conceal McCRACKEN's ownership and control of BCRCI and BTI and the fact that BCRCI and BTI were shell corporations with no capacity to perform the work described, and to falsely make it appear that BCRCI and BTI were operating entities.

8. In or about the spring of 2001, Anderson prepared and submitted a grant application seeking approximately $200,000 from DPW for CDC to operate the welfare-to-work program. The grant application listed defendant COREY KEMP as an

accountant for CDC and defendant FRANCIS D. McCRACKEN as the executive director for CDC.

9. On or about June 15, 2001, based in part on the defendants' false statements in the grant application, DPW awarded $48,192 to CDC to conduct the program from June 2001 to June 2002. Defendant FRANCIS D. McCRACKEN signed the contract with DPW agreeing to fund the program. The defendants were permitted to use these funds only for legitimate program expenses and not for any other purpose. DPW renewed the contract with CDC through January 2004. On six occasions between June 2001 and January 2004, DPW paid CDC by check sent to CDC's offices by United States mail.

10. While other Church employees did some work regarding the CCI program, in counseling welfare recipients about contacting DPW caseworkers regarding employment and training opportunities, numerous times between June 15, 2001 and January 2004, defendants COREY KEMP and FRANCIS D. McCRACKEN sent and caused to be sent periodic reports to DPW falsely stating that BCRCI had performed consulting services and that McCRACKEN had acted as the program's executive director, and that BCRCI and McCRACKEN were entitled to be paid from DPW funds when, in fact, BCRCI had performed no services and McCRACKEN had performed little or no work. During this period, CDC, using the state funds, paid $10,000 per year to McCRACKEN, and $6,000 per year to McCRACKEN's shell company, BCRCI.

11. In or about March 2003, defendant COREY KEMP directed Anderson to submit an invoice to CDC for $3,200 for "legal and professional services" to be paid from the funds CDC obtained from DPW for the CCI program. KEMP and Anderson knew that Anderson was not entitled to the $3,200 payment from the CCI program's budget.

12. Shortly after directing Anderson to submit this invoice, defendant COREY KEMP directed Anderson to give him approximately $1,600 of these funds for his and defendant FRANCIS D. McCRACKEN's personal use unrelated to the CCI program.

13. On or about March 24, 2003, defendant COREY KEMP caused to be sent by United States mail from Reading, Pennsylvania, to Anderson a check in the amount of $3,200 in payment of the false invoice. A short time later, Anderson cashed the check and, at defendant COREY KEMP's direction, delivered to KEMP approximately $1,600 in cash.

14. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendants

COREY KEMP and
FRANCIS D. McCRACKEN,

and others known and unknown to the grand jury, for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be delivered by United States mail according to the directions

thereon, from Harrisburg, Pennsylvania, to Reading, Pennsylvania, the mail matter listed below:

COUNT	DATE	MAILING
52	10-23-01	$24,096 check from DPW to Saint James Chapel Church of God in Christ in payment for the CCI program.
53	4-5-02	$24,096 check from DPW to Saint James Chapel Church of God in Christ in payment for the CCI program.
54	6-22-02	$24,096 check from DPW to Saint James Chapel Church of God in Christ in payment for the CCI program.
55	3-7-03	$24,096 check from DPW to Saint James Chapel Church of God in Christ in payment for the CCI program.
56	9-5-03	$12,048 check from DPW to Saint James Chapel Church of God in Christ in payment for the CCI program.
57	1-7-04	$12,048 check from DPW to Saint James Chapel Church of God in Christ in payment for the CCI program.

All in violation of Title 18, United States Code, Section 1341.

COUNTS FIFTY-EIGHT AND FIFTY-NINE

HONEST SERVICES MAIL FRAUD IN REDEMPTION OF CITY BONDS

THE GRAND JURY FURTHER CHARGES THAT:

Introduction

1. Paragraph 1 of Count One and paragraph 2 of Counts Fifty-Two to Fifty-Seven of this indictment are incorporated here.

2. At all times relevant to this indictment, the Treasurer's Office of the City of Philadelphia was responsible for issuing checks to vendors and others to whom the City of Philadelphia (the "City") owed money. The Treasurer's Office also participated in the issuance of bonds and other financial instruments by the City and its agencies used to fund City operations and capital and other expenses, and participated in assisting bondholders whose bonds had been lost, stolen, destroyed, or misplaced in obtaining payment on these bonds.

The Scheme to Defraud

3. From in or about October 2002 to in or about mid-2003, defendant

COREY KEMP

devised and intended to devise a scheme to defraud the citizens of the City of Philadelphia of the intangible right to the honest services of City Treasurer COREY KEMP and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

It was part of the scheme that:

4. In or about October 2002, defendant COREY KEMP enlisted Rhonda M. Anderson to start a business assisting individuals in making claims against unclaimed funds held by the City or having payments made for lost or misplaced bonds issued by the City. At KEMP's direction, Anderson started this business using a corporation in which she had an interest called Estate & Charitable Solutions, LLC. KEMP advised Anderson that he and Anderson could convince each successful claimant to pay them a percentage of the funds recovered.

5. KEMP and Anderson agreed that KEMP would receive approximately 35% of the profits of this business and that his interest in the business would be hidden from his employer, the City, and the public. As KEMP explained to Anderson, because KEMP was in charge of the City agency that issued the City's checks to vendors and others, maintained the City's list of unclaimed checks and other funds, had participated in the issuance of City bonds and other financial obligations, and would participate in payments being made, he was prohibited from having an interest in such a business as such an interest would conflict with his employment as City Treasurer. To further hide his interest, KEMP directed that his payments from this business be made to him in cash.

6. To carry out this business, KEMP provided Anderson with the identity of persons who held outstanding City bonds. Anderson then located these people to advise them of their rights, and to request a fee for her assistance. Anderson was

successful in receiving a total of approximately $9,100 in payments from claimants. Specifically, among others, in early February 2003, KEMP and Anderson caused a claimant to be paid approximately $15,000. Anderson received a check for $3,700 from the claimant and paid KEMP $900 in cash, which she delivered to him in an envelope outside of his office at the Municipal Services Building in Philadelphia on or about February 3, 2003. In total, Anderson paid KEMP approximately $1,300 in cash proceeds from the business, and delivered all of it to him outside of his office. KEMP did not disclose these payments to the City or the public.

7. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, the defendants listed below, for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be delivered by United States mail according to the directions thereon, a letter from Rhonda M. Anderson in Philadelphia, Pennsylvania, to each of the recipients listed below:

COUNT	DATE	DEFENDANT	MAILING
58	12-18-02	COREY KEMP	A letter sent to the address of an individual known to the grand jury (referred to as "SSS") in Gwynedd, Pennsylvania, seeking an affidavit from SSS that he was the owner of a $15,000 bond issued by an agency of the City of Philadelphia that had been "lost, stolen, destroyed, or misplaced."

COUNT	DATE	DEFENDANT	MAILING
59	3-14-03	COREY KEMP	A stock or bond power of attorney form, an affidavit of loss, and Anderson's fee information, sent to the address of an individual known to the grand jury (referred to as "AU") in Elkins Park, Pennsylvania, permitting the redemption of a $10,000 General Obligation bond with a maturity date of July 1, 2000 held by AU.

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

COUNT SIXTY

FALSE TAX RETURN OF COREY KEMP -- 2000

THE GRAND JURY FURTHER CHARGES THAT:

On or about January 23, 2001, in the Eastern District of Pennsylvania, defendant

COREY KEMP

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2000, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which defendant COREY KEMP did not believe to be true and correct as to every material matter, in that the return substantially overstated his charitable contributions, when in fact, as defendant COREY KEMP well knew his deductible charitable contributions were substantially less, in that he did not make $8,000 in charitable contributions as claimed on the return.

In violation of Title 26, United States Code, Section 7206(1).

COUNT SIXTY-ONE

FALSE TAX RETURN OF COREY KEMP -- 2001

THE GRAND JURY FURTHER CHARGES THAT:

On or about January 23, 2002, in the Eastern District of Pennsylvania, defendant

COREY KEMP

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2001, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which defendant COREY KEMP did not believe to be true and correct as to every material matter, in that the return substantially overstated his charitable contributions, when in fact, as defendant COREY KEMP well knew his deductible charitable contributions were substantially less, in that he did not make $8,000 in charitable contributions as claimed on the return.

In violation of Title 26, United States Code, Section 7206(1).

COUNT SIXTY-TWO

FALSE TAX RETURN OF COREY KEMP -- 2002

THE GRAND JURY FURTHER CHARGES THAT:

On or about January 23, 2003, in the Eastern District of Pennsylvania, defendant

COREY KEMP

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2002, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which defendant COREY KEMP did not believe to be true and correct as to every material matter, in that the return substantially underreported his total income and overstated his charitable contributions, when in fact, as defendant COREY KEMP well knew, (a) his total income was substantially more than what he reported, in that he had received $10,000 in unreported payments from LA-VAN HAWKINS and RONALD A. WHITE made to influence KEMP's official actions as Deputy Treasurer and Treasurer of the City of Philadelphia; and (b) his deductible charitable contributions were substantially less, in that, he did not make $9,000 in charitable contributions as claimed on the return.

In violation of Title 26, United States Code, Section 7206(1).

COUNT SIXTY-THREE

FALSE TAX RETURN OF COREY KEMP – 2003

THE GRAND JURY FURTHER CHARGES THAT:

On or about January 29, 2004, in the Eastern District of Pennsylvania, defendant

COREY KEMP

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2003, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Internal Revenue Service, which defendant COREY KEMP did not believe to be true and correct as to every material matter, in that the return substantially underreported his total income, when in fact, as defendant COREY KEMP well knew, his total income was substantially more than what he reported, in that he had received tens of thousands of dollars of unreported payments from the schemes charged in Counts Forty-Five through Fifty-Nine of this Indictment, as well as other unreported income.

In violation of Title 26, United States Code, Section 7206(1).

NOTICE OF ADDITIONAL FACTORS

THE GRAND JURY FURTHER CHARGES THAT:

1. In committing each of the offenses charged in Counts One through Twenty-Three of this indictment, defendant RONALD A. WHITE:

a. Committed an offense in which the value of anything obtained and to be obtained by a public official, and by others acting with a public official, exceeded $2,500,000, as described in U.S.S.G. § 2C1.7(b)(1)(A)(ii).

b. Committed an offense involving an official holding a high-level decision-making or sensitive position, as described in U.S.S.G. § 2C1.7(b)(1)(B).

c. Engaged in conduct which was part of a systematic and pervasive corruption of a governmental function, process, and office that may cause loss of public confidence in government, as described in U.S.S.G. § 2C1.7 application note 5.

d. Committed an offense in which he was an organizer and leader of a criminal activity that involved five or more participants and was otherwise extensive, as described in U.S.S.G. § 3B1.1(a).

2. In committing each of the offenses charged in Counts One through Twenty-Three and Fifty-Eight and Fifty-Nine of this indictment, defendant COREY KEMP:

a. Committed an offense in which the value of anything obtained and to be obtained by a public official, and by others acting with a public official, exceeded $2,500,000, as described in U.S.S.G. § 2C1.7(b)(1)(A)(ii).

b. Committed an offense involving an official holding a high-level decision-making or sensitive position, as described in U.S.S.G. § 2C1.7(b)(1)(B).

c. Engaged in conduct which was part of a systematic and pervasive corruption of a governmental function, process, and office that may cause loss of public confidence in government, as described in U.S.S.G. § 2C1.7 application note 5.

3. In committing each of the offenses charged in Counts One and Fifteen through Twenty-Three of this indictment, defendants GLENN K. HOLCK and STEPHEN M. UMBRELL:

a. Committed an offense in which the value of anything obtained and to be obtained by a public official, and by others acting with a public official, exceeded $400,000, as described in U.S.S.G. § 2C1.7(b)(1)(A)(ii).

b. Committed an offense involving an official holding a high-level decision-making or sensitive position, as described in U.S.S.G. § 2C1.7(b)(1)(B).

c. Engaged in conduct which was part of a systematic and pervasive corruption of a governmental function, process, and office that may cause loss of public confidence in government, as described in U.S.S.G. § 2C1.7 application note 5.

4. In committing each of the offenses charged in Counts One, Two, and Five of this indictment, defendant LA-VAN HAWKINS:

a. Committed an offense in which the value of anything obtained and to be obtained by a public official, and by others acting with a public official, exceeded $2,500,000, as described in U.S.S.G. § 2C1.7(b)(1)(A)(ii).

b. Committed an offense involving an official holding a high-level decision-making or sensitive position, as described in U.S.S.G. § 2C1.7(b)(1)(B).

c. Engaged in conduct which was part of a systematic and pervasive corruption of a governmental function, process, and office that may cause loss of public confidence in government, as described in U.S.S.G. § 2C1.7 application note 5.

5. In committing each of the offenses charged in Counts One, Four, Six, and Eight of this indictment, defendant JANICE RENEE KNIGHT:

a. Committed an offense in which the value of anything obtained and to be obtained by a public official, and by others acting with a public official, exceeded $2,500,000, as described in U.S.S.G. § 2C1.7(b)(1)(A)(ii).

b. Committed an offense involving an official holding a high-level decision-making or sensitive position, as described in U.S.S.G. § 2C1.7(b)(1)(B).

c. Engaged in conduct which was part of a systematic and pervasive corruption of a governmental function, process, and office that may cause loss of public confidence in government, as described in U.S.S.G. § 2C1.7 application note 5.

6. In committing each of the offenses charged in Counts Twenty-Six and Twenty-Seven of this indictment, defendants RONALD A. WHITE, CHARLES LeCROY, and ANTHONY C. SNELL committed an offense in which the loss exceeded $30,000, as described in U.S.S.G. § 2B1.1(b)(1).

7. In committing each of the offenses charged in Counts Twenty-Six and Twenty-Seven of this indictment, defendant CHARLES LeCROY committed an offense in which he abused a position of private trust, as described in U.S.S.G. § 3B1.3.

8. In committing the offense charged in Count Twenty-Eight of this indictment, defendants RONALD A. WHITE and COREY KEMP:

a. Committed an offense in which the value of the payment sought exceeded $2,000 but did not exceed $5,000, as described in U.S.S.G. § 2C1.1(b)(2)(A)(i).

b. Committed an offense involving an official holding a high-level decision-making or sensitive position, as described in U.S.S.G. § 2C1.1(b)(2)(B).

c. Engaged in conduct which was part of a systematic and pervasive corruption of a governmental function, process, and office that may cause loss of public confidence in government, as described in U.S.S.G. § 2C1.1 application note 5.

9. In committing the offense charged in Count Twenty-Nine of this indictment, defendants RONALD A. WHITE and COREY KEMP:

a. Committed an offense in which the value of the payment sought exceeded $10,000, as described in U.S.S.G. § 2C1.1(b)(2)(A)(ii).

b. Committed an offense involving an official holding a high-level decision-making or sensitive position, as described in U.S.S.G. § 2C1.1(b)(2)(B).

c. Engaged in conduct which was part of a systematic and pervasive corruption of a governmental function, process, and office that may cause loss of public confidence in government, as described in U.S.S.G. § 2C1.1 application note 5.

10. In committing each of the offenses charged in Counts Thirty-Seven through Forty of this indictment, defendant LA-VAN HAWKINS committed perjury with respect to a criminal offense, as described in U.S.S.G. § 2J1.3(c)(1), that is, the conspiracy to commit honest services fraud stated in Count One of this indictment.

11. In committing each of the offenses charged in Counts Forty-One through Forty-Four of this indictment, defendant RONALD A. WHITE committed an offense in which the loss and attempted loss exceeded $70,000, as described in U.S.S.G. § 2B1.1(b)(1).

12. In committing each of the offenses charged in Counts Forty-Five through Forty-Seven of this indictment, defendants COREY KEMP and FRANCIS D. McCRACKEN:

a. Committed an offense in which the loss and attempted loss exceeded $200,000, as described in U.S.S.G. § 2B1.1(b)(1).

b. Committed an offense involving a misrepresentation that each defendant was acting on behalf of a charitable and religious organization, as described in U.S.S.G. § 2B1.1(b)(7).

c. Committed an offense in which each defendant was an organizer, leader, manager, and supervisor in criminal activity, as described in U.S.S.G. § 3B1.1(c).

d. Committed an offense in which each defendant abused a position of private trust, as described in U.S.S.G. § 3B1.3.

13. In committing each of the offenses charged in Counts Fifty-Two through Fifty-Seven of this indictment, defendants COREY KEMP and FRANCIS D. McCRACKEN:

a. Committed an offense in which the loss and attempted loss exceeded $30,000, as described in U.S.S.G. § 2B1.1(b)(1).

b. Committed an offense involving a misrepresentation that each defendant was acting on behalf of a charitable and religious organization, as described in U.S.S.G. § 2B1.1(b)(7).

c. Committed an offense in which each defendant was an organizer, leader, manager, and supervisor in criminal activity, as described in U.S.S.G. § 3B1.1(c).

d. Committed an offense in which each defendant abused a position of private trust, as described in U.S.S.G. § 3B1.3.

14. In committing each of the offenses charged in Counts Sixty through Sixty-Three of this indictment, defendant COREY KEMP:

a. Committed an offense in which the tax loss exceeded $12,500, as described in U.S.S.G. §§ 2T1.1(a)(1) and 2T4.1.

b. Failed to report the source of income exceeding $10,000 in any year from criminal activity, as described in U.S.S.G. § 2T1.1(b)(1).

A TRUE BILL:

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GRAND JURY FOREPERSON

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PATRICK L. MEEHAN
UNITED STATES ATTORNEY