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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
 :
 v. :
 : Crim. No. 15-036 (JLL)
 :
 : 18 U.S.C. §§ 981(a)(1)(C), 1343, 1346 and § 2
 LINDA WATKINS BRASHEAR : 26 U.S.C. § 7206; and
 : 28 U.S.C. § 2461(c)

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

COUNT 1

(Scheme to Defraud the NWCDC of Defendant WATKINS BRASHEAR's Honest Services and Money and Property by Her Accepting and Agreeing to Accept Kickbacks From NWCDC Employees and Contractors Financed at Least in Part by NWCDC Funds Obtained Through Fraud, all Facilitated by use of Interstate Wire Transmissions)

Defendant and other Individuals and Entities

1. From in or about 2007 to in or about March 2013, defendant LINDA WATKINS BRASHEAR ("defendant WATKINS BRASHEAR") was the Executive Director of the Newark Watershed Conservation and Development Corporation (the "NWCDC"). Defendant WATKINS BRASHEAR supervised NWCDC staff and contractors in connection with the NWCDC's day-to-day operations and reported to the NWCDC's Board of Directors.

2. At all times relevant to Count 1 of this Information:

A. The NWCDC operated as a not-for-profit organization created to manage the watershed properties owned by the City of Newark, New Jersey. The NWCDC's main corporate offices were in Newark. The NWCDC also maintained several water treatment and pumping facilities in Northern New Jersey. The NWCDC was primarily funded by

revenue received in connection with service contracts with the City of Newark.

- B. The NWCDC was governed by a Board of Directors responsible for oversight of the organization. Until the NWCDC's By-Laws were amended in or about September 2012, the Board was to consist of seven to eleven members, including two Newark Municipal Council members as voting members, and the Mayor of Newark as a non-voting member. In or about September 2012, the Board adopted amended By-Laws, which provided that the Board was to be composed of only seven members, with no requirement that any of the Directors be members of the Newark municipal government.

3. At times relevant to Count 1 of this Information, there was:

- A. an NWCDC employee who was the business manager for the NWCDC ("NWCDC Employee 1");
- B. an NWCDC employee who was an assistant to the Executive Director ("NWCDC Employee 2");
- C. an NWCDC contractor who later became an NWCDC employee who, both as an NWCDC employee and earlier as an NWCDC contractor, was responsible for special projects at the NWCDC (the "Special Projects Manager"). The Special Projects Manager also ran a company in the Special Projects Manager's name that purported to provide consulting services;
- D. an individual who purported to run a cleaning service (the "Cleaning Contractor"), in addition to being employed full time as a sales manager at a telecommunications company in New Jersey;
- E. an individual who purported to run landscaping and snow removal businesses, in part, with the NWCDC Special Projects Manager (the "Partner of the Special Projects Manager");
- F. an individual who ran a small printing business (through two corporate entities) located in Newark (the "Printing Contractor");
- G. an individual who performed motivational speaking services and marketing and public relations services through a company located in Norristown, Pennsylvania (the "Marketing Contractor");
- H. an individual who ran an event space who was an associate of the Special Projects Manager, who also purported to run a company that provided

Homeland Security consulting services (the “Homeland Security Contractor”);

- I. an individual who ran an interior design business through at least two separate corporate entities (the “Interior Designer”);
- J. an individual who was a friend of defendant WATKINS BRASHEAR and who purported to run a technology company that, among other things, purported to perform internet research services, in addition to her full time employment as a purchasing administrator for a state agency in New Jersey (the “Internet Research Consultant”);
- K. an individual who had a close personal relationship with the Special Projects Manager, and who ran a consulting firm and worked as an aide to a local government official (the “Political Consultant”);
- L. an individual who purported to run a printing business, as well as an online marketing and branding company (the “Media Consultant”), purportedly located in Short Hills, New Jersey;
- M. an individual who purported to run a security firm in addition to her full time employment as a police officer (the “Security Consultant”); and
- N. an individual who owned a contracting company based in West Orange, New Jersey that performed construction and renovation services, including roofing work (the “Roofing Contractor”).

The NWCDC’s Right to, and Defendant WATKINS BRASHEAR’S Duty of, Honest Services

4. At all times relevant to Count 1 of this Information, the NWCDC had an intangible right to the honest services of its employees. As an employee of the NWCDC, defendant WATKINS BRASHEAR owed the NWCDC a duty under the law to refrain from seeking and receiving secret kickbacks in exchange for defendant WATKINS BRASHEAR’S action and assistance as an NWCDC employee in the affairs of the NWCDC or in exchange for the violation of her duties and responsibilities as the NWCDC’s Executive Director.

Corrupt and Fraudulent Scheme

5. From at least as early as in or about 2008 to in or about March 2013, in Essex County, in the District of New Jersey, and elsewhere, defendant

LINDA WATKINS BRASHEAR

and others knowingly and intentionally did devise and intend to devise a scheme and artifice to defraud the NWDC: (A) of the right to defendant WATKINS BRASHEAR's honest services in the affairs of the NWDC; and (B) of money and property.

6. An object of this scheme and artifice to defraud was for defendant WATKINS BRASHEAR to accept and agree to accept a substantial stream of concealed and undisclosed kickbacks for her direct and indirect benefit from NWDC employees and contractors, in exchange for defendant WATKINS BRASHEAR's action and assistance in the affairs of the NWDC on behalf of certain of these NWDC employees and contractors and for violating her official duties and responsibilities as the NWDC's Executive Director, which kickbacks were financed through the receipt of payments by these individuals that had been fraudulently obtained from the NWDC, with defendant WATKINS BRASHEAR's assistance, through materially false pretenses, representations and promises.

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

A. Defendant WATKINS BRASHEAR accepted and agreed to accept a stream of cash payments and other things of value, totaling at least approximately \$999,000, directly and indirectly, from the NWDC employees and contractors, to include:

- i. from in or about September 2012 to in or about March 2013, in excess of approximately \$39,000 in cash payments to defendant WATKINS BRASHEAR from NWDC Employee 1;

- ii. from in or about January 2009 to in or about December 2012, in excess of approximately \$260,000 in cash payments to defendant WATKINS BRASHEAR from the Partner of the Special Projects Manager through the Special Projects Manager;
- iii. from in or about January 2008 to in or about June 2012, in excess of approximately \$70,000 in cash payments to defendant WATKINS BRASHEAR from the Printing Contractor through the Special Projects Manager;
- iv. from in or about January 2011 to in or about January 2013, at least approximately \$33,000 in cash payments to defendant WATKINS BRASHEAR from the Marketing Contractor through the Special Projects Manager;
- v. from in or about September 2012 to in or about April 2013, in excess of approximately \$90,000 in cash payments to defendant WATKINS BRASHEAR from the Cleaning Contractor directly, or indirectly through NWCDC Employee 2;
- vi. from in or about August 2009 to in or about February 2013, at least approximately \$118,000 in cash payments to defendant WATKINS BRASHEAR from the Homeland Security Contractor directly, or indirectly through the Special Projects Manager;
- vii. from in or about January 2009 to in or about May 2012, approximately \$40,000 in cash payments to defendant WATKINS BRASHEAR from the Interior Designer;
- viii. from at least in or about January 2008 to in or about March 2013, in excess of approximately \$177,000 in cash payments from the Internet Research Consultant;
- ix. from in or about October 2011 to in or about March 2013, in excess of approximately \$29,000 in cash payments from the Political Consultant directly, or indirectly through the Special Projects Manager;
- x. from in or about August 2011 to in or about September 2012, in excess of approximately \$32,000 in cash payments from the Media Consultant directly or indirectly through the Special Projects Manager;
- xi. from at least in or about January 2008 to in or about March 2013, approximately \$27,000 in cash payments from the Roofing

Contractor directly or indirectly through the Special Projects Manager; and

- xii. from in or about May 2011 to in or about March 2013, approximately \$84,000 in cash payments from the Security Consultant.

B. By accepting these payments and other things of value, defendant WATKINS BRASHEAR intended to be influenced and rewarded in exchange for the exercise of her authority and discretion at the NWCDC in providing favorable assistance to these employees and contractors, including: (i) recommending and otherwise assuring that NWCDC business opportunities went to these contractors; (ii) ensuring that NWCDC provided these contractors and their companies with payments from the NWCDC; and (iii) providing certain NWCDC employees with additional compensation.

C. Defendant WATKINS BRASHEAR caused certain of these NWCDC employees and contractors to finance these payments to defendant WATKINS BRASHEAR and others by (i) submitting fraudulent invoices and bills to the NWCDC that contained materially false representations and half-truths--indicating that the sought-after payments were for legitimate work performed by certain of these contractors or their companies when, in fact, the invoices and bills were fraudulently inflated to cover the kickback payments that defendant WATKINS BRASHEAR and others received from these individuals or were based on work that had not been performed; or (ii) otherwise making claims for NWCDC salary and payments to which these NWCDC employees and contractors and their companies were not entitled, in part or in full.

D. Defendant WATKINS BRASHEAR took steps, and caused steps to be taken, to conceal material facts regarding this corrupt and fraudulent arrangement, including:

- i. defendant WATKINS BRASHEAR caused many of the NWCDC checks payable to the contractors listed herein to be issued by

manual, as opposed to automated, process in an attempt to conceal these payments from third parties;

- ii. defendant WATKINS BRASHEAR caused many of these checks from the NWCDC to be issued for false purposes such as “landscaping” and “cleaning” and caused the NWCDC to hire multiple vendors to provide such services, thus making the lack of performance of such services by some vendors harder to detect;
- iii. defendant WATKINS BRASHEAR caused at least two of the individuals referenced above in paragraph 2 to form sham business entities in part to conceal the corrupt and fraudulent activity;
- iv. defendant WATKINS BRASHEAR used intermediaries (to include NWCDC Employee 2 and the Special Projects Manager) to obtain defendant WATKINS BRASHEAR’s kickbacks from certain of the contractors; and
- v. defendant WATKINS BRASHEAR intentionally failed to disclose to the NWCDC Board of Directors and interested employees the following material information: (a) that defendant WATKINS BRASHEAR was receiving these kickbacks; and (b) that the amounts of the NWCDC checks paid to these contractors or employees included the expense of these illicit payments to defendant WATKINS BRASHEAR and others.

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

LINDA WATKINS BRASHEAR

and others knowingly and intentionally transmitted and caused to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals, pictures, and sounds, as listed below:

DATE	WIRE TRANSMISSION
December 1, 2010	Defendant WATKINS BRASHEAR received an email from the Special Project Manager, through an email server located in Virginia, requesting authorization for payment of \$6,750 to a company operated by the Printing Contractor for a certain printing job. The amount of the payment requested for the vendor included an amount to be kicked back to WATKINS BRASHEAR and the Special Projects Manager, among others.
December 17, 2010	Defendant WATKINS BRASHEAR received an email from the Special Project Manager, through an email server located in Virginia, requesting that WATKINS BRASHEAR cause a \$12,500 payment be provided to a company operated by the Printing Contractor for a certain sign printing job, as well as advising that an invoice had been left for WATKINS BRASHEAR to authorize payment to a company purportedly operated by the Partner of the Special Projects Manager for placement of the signage. The amount of the payments requested for the vendors included amounts to be kicked back to WATKINS BRASHEAR and the Special Projects Manager, among others.
December 23, 2010	Defendant WATKINS BRASHEAR received an email from the Special Project Manager, through an email server located in Virginia, requesting that the Executive Director cause a \$12,500 payment to be provided to one of the companies purportedly operated by the Partner of the Special Projects Manager. The amount of the payment requested for the vendor included an amount to be kicked back to WATKINS BRASHEAR and the Special Projects Manager, among others.
July 5, 2011	Defendant WATKINS BRASHEAR received an email from the Special Project Manager, through an email server located in Virginia, requesting WATKINS BRASHEAR cause a \$9,500 payment be provided to one of the companies purportedly operated by the Media Consultant, as well as a \$7,500 payment to be provided to one of the companies purportedly operated by the Partner of the Special Projects Manager. The amount of the

DATE	WIRE TRANSMISSION
	payments requested for the vendors included amounts to be kicked back to WATKINS BRASHEAR and the Special Projects Manager, among others.
July 15, 2011	Defendant WATKINS BRASHEAR received an email from the Special Project Manager, through an email server located in Virginia, requesting that WATKINS BRASHEAR approve the Roofing Contractor for a certain \$20,000 construction job, with a \$10,000 deposit to be paid at the start of the work. The amount of the payment requested for the vendor included an amount to be kicked back to WATKINS BRASHEAR and the Special Projects Manager, among others.
October 31, 2011	Defendant WATKINS BRASHEAR received an email from the Special Project Manager, through an email server located in Virginia, requesting WATKINS BRASHEAR to cause a \$7,250 payment be provided to one of the companies purportedly operated by the Media Consultant. The amount of the payment requested for the vendor included an amount to be kicked back to WATKINS BRASHEAR and the Special Projects Manager, among others.

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

COUNTS 2 TO 5

Subscribing False Tax Returns – 26 U.S.C. § 7206(1)

1. Paragraphs 1, 2, 3 and 7 of this Information are hereby incorporated and realleged as if set forth fully herein.
2. From in or about January 2009 to in or about December 2012, defendant WATKINS BRASHEAR accepted a stream of lucrative cash and money payments in kickbacks from certain NWCDC contractors (the “Contractors”), and NWCDC Employee 1, both directly and indirectly through the Special Projects Manager and NWCDC Employee 2, as set forth in Count 1 of this Information.
3. Defendant WATKINS BRASHEAR signed, filed, and caused to be filed with the Internal Revenue Service (“IRS”), United States Individual Income Tax Returns, Forms 1040, on her own behalf that were not true and correct as to every material matter. Defendant WATKINS BRASHEAR intentionally did not disclose and report a significant portion of her income from the above-described corrupt and fraudulent arrangement for tax years 2009, 2010, 2011, and 2012, thereby causing those tax returns to understate a substantial amount of the income that she received for each of these tax years. In total, defendant WATKINS BRASHEAR failed to disclose and report approximately \$860,343.54 in income for the 2009, 2010, 2011, and 2012 tax years. As such, an additional tax of approximately \$304,888, was due and owing to the United States.
4. The Forms 1040 for tax years 2009, 2010, 2011, and 2012 that were signed by defendant WATKINS BRASHEAR each contained a written declaration that the form was signed under penalties of perjury.
5. On or about the filing dates listed below, in the District of New Jersey, and elsewhere, defendant

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did knowingly and willfully make and subscribe United States Individual Income Tax Returns, Forms 1040, as described above, which she did not believe to be true and correct as to every material matter (as described in paragraph 3, above), and which she filed and caused to be filed with the IRS, as follows:

Count	Tax Year	Form 1040 Filing Date	Additional Unreported Income	Tax Due and Owing
2	2009	April 15, 2010	\$179,693.29	\$67,583.00
3	2010	May 27, 2011	\$189,487.58	\$75,004.00
4	2011	April 15, 2012	\$175,266.67	\$65,522.00
5	2012	April 15, 2013	\$315,896.00	\$96,779.00
		TOTAL:	\$860,343.54	\$304,888.00

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

FORFEITURE ALLEGATION

1. The allegations contained in Count 1 of this Information are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(c) and Title 28, United States Code, Section 2461(c).

2. Upon conviction of the offense of wire fraud, in violation of Title 18, United States Code, Section 1343, set forth in Count 1 of this Information, defendant

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shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all property, real or personal, that constituted and was derived from proceeds traceable to this offense. The property to be forfeited is money in the amount of \$999,000.

3. If by any act or omission of defendant WATKINS BRASHEAR, any of the property subject to forfeiture described in paragraph 2 herein:

- a) cannot be located upon the exercise of due diligence;
- b) has been transferred or sold to, or deposited with, a third party;
- c) has been placed beyond the jurisdiction of the court;
- d) has been substantially diminished in value; or
- e) has been commingled with other property which cannot be divided without difficulty;

the United States of America will be entitled to forfeiture of substitute property up to the value of the property described above in paragraph 2, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

Pursuant to Title 18, United States Code Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

Paul J. Fishman/rah
PAUL J. FISHMAN
UNITED STATES ATTORNEY

CASE NUMBER:

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

LINDA WATKINS BRASHEAR

INFORMATION FOR

18 U.S.C. §§ 1343, 1346, 2, 981(a)(1)(c);
26 U.S.C. § 7206(1); and
28 U.S.C. § 2461(c)

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