

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
v. : Crim. No.
KEITH O. REID : 18 U.S.C. §§ 666(a)(1)(B) and
(a)(2), 1951(a) and § 2

INDICTMENT

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

COUNTS 1 and 2

Attempt to Extort Under Color of Official Right

1. At all times relevant to Counts 1 and 2:

A. Defendant KEITH O. REID was the Chief of Staff to the president of the City of Newark Municipal Council ("Newark City Council"), the legislative body of the municipal government of the City of Newark, New Jersey. Members of the Newark City Council, among other things, were empowered to approve financial controls for the City of Newark and to vote on ordinances and resolutions, including those related to the award of certain government contracts. As the Chief of Staff to the president of the Newark City Council, defendant KEITH O. REID's duties included, but were not limited to, providing advice and making recommendations to the City Council President and other City of Newark employees.

B. There were two cooperating witnesses (hereinafter "CW-1" and "CW-2") and an undercover law enforcement agent (hereinafter the "UCA") who purported to be representatives of Coastal Solutions, LLC, a Federal Bureau of Investigation ("FBI") undercover company that was represented to be capable of providing insurance brokerage services to local government entities (hereinafter, the "FBI Undercover Company"). As represented by these individuals, the FBI Undercover Company was based in New Jersey, did business in various states, and paid for goods and services in interstate commerce.

C. There was a certain individual (the "Individual") in Irvington, New Jersey who was a friend and associate of defendant KEITH O. REID. The Individual maintained a consulting business ("the Consulting Business") in Irvington, New Jersey.

The Corrupt Activity Involving City of Newark Government

2. It was part of the corrupt activity that, from in or about January 2007 to in or about September 2007, during conversations recorded by federal law enforcement authorities, defendant KEITH O. REID agreed to use his official position and influence in an attempt to obtain City of Newark government insurance brokerage business for the FBI Undercover Company in exchange for corrupt payments as follows:

A. On or about January 5, 2007, defendant KEITH O. REID met CW-1, CW-2 and the Individual, among others, at a restaurant in Maplewood, New Jersey. During the meeting, the Individual explained that defendant KEITH O. REID and the Individual had "a consulting company together because we do a lot of political things together." Defendant KEITH O. REID added that this relationship had existed "for years." According to defendant KEITH O. REID and the Individual, the Consulting Business was capable of assisting the FBI Undercover Company in obtaining local government insurance business from various municipalities in New Jersey, including the City of Newark. When asked about the contacts that he maintained in connection with the Consulting Business, defendant KEITH O. REID stated that "[w]e have relationships obviously in Irvington and obviously in Newark," in addition to other municipalities. Defendant REID then further stated that: "Folks there, we can pick up the phone and call and open doors." Thereafter, the FBI Undercover Company retained the Consulting Business pursuant to a proposal submitted by defendant KEITH O. REID and the Individual.

B. On or about February 20, 2007, defendant KEITH O. REID and the Individual met CW-1 and CW-2 in Newark, New Jersey. During this meeting, the parties continued to discuss the FBI Undercover Company obtaining insurance brokerage business with City of Newark government and elsewhere. Defendant KEITH O. REID

agreed to arrange a meeting between the Newark City Council President and representatives of the FBI Undercover Company. Defendant KEITH O. REID, while discussing the insurance brokerage opportunities for the FBI Undercover Company with the City of Newark government, explained how to ensure official support:

We all understand how this stuff happens. We know how it happens and, from my standpoint, you can only talk at the table by earning a spot, and earning a spot is being there for them when they need you. That's it.

At the conclusion of this meeting, the following conversation occurred between defendant KEITH O. REID and CW-2:

CW-2: I think I gave this [business card] to you before, but if you need - if there's any additional resources you need, don't hesitate to give me a call.

KR: No, I will because there is a host of business that we can do with people who need friends and need financial support, and I'm really glad that we had this meeting because I'm also gonna impress upon my boss that you guys are the kind of people who can be helpful in the things she wants to do

C. In or about February 2007, defendant KEITH O. REID, by his own later July 25, 2007 admission to CW-2 as set forth herein, had accepted between approximately \$1,500 and 3,300 from the CWs through the Individual, in part, in exchange for his official influence in connection with attempting to obtain City of Newark government brokerage business for the FBI Undercover Company.

D. From in or about February 2007 to in or about July 2007, defendant KEITH O. REID scheduled meetings between the Newark City Council President and the FBI Undercover Company that later had to be cancelled. However, on or about July 10, 2007, defendant KEITH O. REID successfully scheduled a meeting between members of the FBI Undercover Company and the Newark City Council President in Newark, New Jersey. On this date, as a consequence of the official actions taken by defendant KEITH O. REID, CW-1, CW-2 and defendant KEITH O. REID met the Newark City Council President and presented various insurance brokerage proposals for the City of Newark and elsewhere to the Newark City Council President.

E. On or about July 25, 2007, defendant KEITH O. REID met CW-1, CW-2 and the UCA at a restaurant in Newark, New Jersey. The parties discussed obtaining the support of a certain member of the Newark City Council ("Councilmember 1") in favor of the FBI Undercover Company. Defendant KEITH O. REID then explained how he would typically interact with the Councilmember for whom he worked:

I like the [Councilmember 1] approach because its tactically smart because, even when I'm trying to [U/I], I gotta convince my boss to do something. You know, I don't walk in her office and say 'look, vote on this.' I gotta convince her to do something.

Defendant KEITH O. REID also stated that he believed that he could obtain three city council votes in favor of the FBI

Undercover Company and needed to obtain two more votes to garner a majority of the Newark City Council members. Further, defendant KEITH O. REID explained the voting makeup of the Newark City Council, and continued to discuss how he could secure the votes necessary for the FBI Undercover Company to obtain insurance brokerage business with the City of Newark government:

It's a nine-member council. You need five votes to make anything happen. And I learned in politics, twenty years ago in this town, when you come into the room, [and] you need five votes and you got three, it ain't a large leap to two others So there Where do I pick the other two up? That's the question. Where do I pick the other two up?

Defendant KEITH O. REID stated that he would talk to Councilmember 1 "man to man," and reassured the CWs by stating "when I need to - when we need to strike, we strike."

F. Shortly after the meeting concluded, defendant KEITH O. REID met CW-2 privately in a car in Newark, New Jersey. Defendant KEITH O. REID informed CW-2 that, while defendant KEITH O. REID continued to assist the FBI Undercover Company in obtaining insurance business with City of Newark government, he had not been paid in several months:

I want you to be clear on this . . . I want you to be clear on something. Clear. This is not a hustle. I don't get paid from whatever you're doing with [the Individual]. I do not - I got an initial payment in February. But since February, I have not gotten one red cent . . . You're doing the hustle. You're doing the dance. I can make things happen within my sphere to a certain point because I'm council president's chief of staff. Full plate. And I have the kind of boss who's very reliant on me and staff.

Defendant KEITH O. REID also explained how he used the Consulting Business and the Individual to conceal defendant REID's official actions in favor of the FBI Undercover Company, and specifically identified certain official actions that he had taken to date:

And also know, it keeps a level of accountability off of my plate. You know, I ain't crazy. It requires [the Individual] to have to do most of the heavy lifting and it only requires me to make some phone calls to [a City of Newark employee] and make a meeting happen. I took a third of the first installment stuff you have [the Individual] way back in February, and that's it since then in five months. Believe me or not believe me, not a red cent But I've gone to the meetings. I've made phone calls. I've wanted to make sure that things, where I can control it, stayed in the loop. Even with my boss not being able to meet twice and then we finally had our meeting.

G. Toward the conclusion of their conversation in the car, defendant KEITH O. REID accepted a \$5,000 cash payment from CW-2 in exchange for defendant REID providing his official assistance and influence in attempting to obtain insurance brokerage business with City of Newark government for the FBI Undercover Company.

H. On or about August 20, 2007, defendant KEITH O. REID met CW-2 privately in a car in Elizabeth, New Jersey. During the meeting, defendant KEITH O. REID reassured CW-2 that the FBI Undercover Company would obtain insurance brokerage business in the City of Newark, and further explained how defendant REID would conceal his official assistance in this endeavor through the Individual and the Consulting Business:

CW-2: But you feel we can get the necessary votes, if we gonna need any votes, with this state disability thing in Newark?

KR: On the Newark side, I am more encouraged now with that piece going forward.

CW-2: But that, I mean, [the Newark City Council President] shouldn't have any objection to that.

KR: No, but I have got to be the -

CW-2: Quarterback.

KR: [The Individual] can be the, [the Individual] can be the quarterback . . . Let me tell you why, let me tell you what I mean. Quarterback, but I need to be at least the offensive coordinator.

CW-2: Its a good analogy.

KR: Yeah. She can quarterback it.

CW-2: Just send the plays in.

KR: Guess why. Because there's a role I probably - there's a role I can and shouldn't play inside City Hall in Newark. Other city halls, its no issue.

CW-2: Right.

KR: Newark. But as offensive coordinator, I'm responsible for all the offensive line activity. Quarterbacks too.

CW-2: Right.

KR: So there I get to say to her, 'No, no, no.' That's not the play we running. This is the play we running. And we gonna run it this way, because we have to run it this way, because of the players on the defensive side that we gotta convince to become our guys. And that includes all the other activity [patting jacket pocket] - You follow me? - that may have to transpire for others.

I. Towards the end of the meeting, defendant KEITH O. REID reiterated that he would control the Individual concerning the FBI Undercover Company's access to insurance brokerage business with the City of Newark, by stating "[the Individual] is the consultant that we steer. I'm in the game with her because of what access I can get her into Newark and other things. We steer her into this We steer There's the king and the kingmaker."

3. In or about the dates set forth below, in Essex County, in the District of New Jersey, and elsewhere, defendant

KEITH O. REID

knowingly and willfully did attempt to obstruct, delay and affect interstate commerce by extortion under color of official right-- that is, by corruptly agreeing to obtain and obtaining money as set forth below from another, with that person's consent, in exchange for defendant KEITH O. REID's official assistance and influence in attempting to obtain City of Newark government insurance brokerage business for the FBI Undercover Company:

COUNT	DATE	APPROXIMATE AMOUNT OF EXTORTIONATE PAYMENT
1	February 2007	Between \$1,500 and \$3,500
2	July 25, 2007	\$5,000

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

COUNTS 3 AND 4

Defendant Reid's Acceptance and Agreement to Accept Payments to
Influence and Reward

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

2. At all times relevant to this Count, the City of Newark received in excess of \$10,000 in federal assistance in a one-year period.

3. In or about the dates set forth below, in Essex County, in the District of New Jersey, and elsewhere, defendant

KEITH O. REID

did knowingly, willfully and corruptly solicit and demand for the benefit of himself, and accept and agree to accept, money as set forth below from another, intending to be influenced and rewarded in connection with a business, transaction and series of transactions of the City of Newark involving a thing of value of \$5,000 or more:

COUNT	DATE	APPROXIMATE AMOUNT OF PAYMENT
3	February 2007	Between \$1,500 and \$3,500
4	July 25, 2007	\$5,000

In violation of Title 18, United States Code, Section 666(a)(1)(B) and Section 2.

COUNT 5

Defendant Reid's Agreement to Accept Payments with Intent to Influence and Reward City of Newark Officials

1. Paragraph 1 of Counts 1 and 2 and paragraph 2 of Counts 3 and 4 are hereby incorporated and realleged as if fully set forth herein.

2. On or about August 20, 2007, during the meeting referenced in paragraphs 2(H) and (I) of Counts 1 and 2, defendant KEITH O. REID indicated that he was willing to serve as an intermediary who negotiated and accepted corrupt cash payments in exchange for City of Newark public officials' (other than himself) influence in favor of the FBI Undercover Company. Defendant KEITH O. REID stated that he was willing to handle "all the other activity - you follow me? - that may have to transpire for others," referring to accepting cash payments on behalf of other City of Newark government officials. As he made this statement, defendant KEITH O. REID patted his jacket pocket where he had earlier placed the \$5,000 cash payment that defendant KEITH O. REID accepted, as more fully set forth herein in paragraph 7 of Count 6.

3. As the conversation continued, defendant KEITH O. REID further explained why he could be effective in negotiating and giving corrupt payments to other City of Newark officials on behalf of the FBI Undercover Company:

CW-2: But are you gonna be comfortable, I mean that takes a lot of pressure off of me. I mean, if you're comfortable, you know, you know, taking care of whoever I have to take care of, that makes my job a lot lot easier. A lot easier.

KR: You know why? I know their pressure points. I know their buffers. Those things. So the only head on the line is this one [pointing to defendant KEITH O. REID's head]. You can say to anybody, 'How do you know I didn't go to Vegas?' You know, how do you know? And it has to be that way because there's gonna be personalities . . .

* * * *

CW-2: And you're comfortable discussing numbers with them?

KR: Absolutely.

CW-2: But you'll have a sense if they're in or out before you discuss any number with them?

KR: Absolutely. I'm not even gonna discuss anything unless - here are the numbers. Help us. That is it. You'll never have to talk about [it]. Just show up. Then I'll leave. That's it.

4. On or about August 20, 2007, in Union County, in District of New Jersey, and elsewhere, defendant

KEITH O. REID

did knowingly, willfully, and corruptly agree to give things of value to persons, namely cash payments to other City of Newark officials, with intent to influence and reward these City of Newark officials in connection with a business, transaction, and series of transactions of the City of Newark involving a thing of value of \$5,000 and more.

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

COUNT 6

Conspiracy to Extort Money

1. Paragraph 1 of Counts 1 and 2 are hereby incorporated and realleged as if fully set forth herein.

2. At all times relevant to this Count, there was a certain official in the Township of Irvington, New Jersey ("Irvington Official 1") who was an associate of defendant KEITH O. REID.

3. From in or about January 2007 to in or about September 2007, in Essex and Union Counties, in the District of New Jersey and elsewhere, defendant

KEITH O. REID

did knowingly and willfully conspire and agree with Irvington Official 1 and others to obstruct, delay and affect interstate commerce by extortion under color of official right - that is, by corruptly agreeing to obtain, and obtaining, money from CW-2 and the FBI Undercover Company, with consent in exchange for, among other things, Irvington Official 1's official influence and assistance in obtaining insurance brokerage business with the Township of Irvington for the FBI Undercover Company.

4. It was the object of the conspiracy that defendant KEITH O. REID acted as an intermediary (during, among other times, conversations recorded by federal law enforcement

authorities) who accepted cash payments from CW-2 on behalf of at least Irvington Official 1, at the direction of Irvington Official 1, in exchange for Irvington Official 1's assistance and influence in obtaining insurance brokerage business with the Township of Irvington government.

5. It was a part of the conspiracy that, on or about August 20, 2007, defendant KEITH O. REID met CW-1, CW-2, the Individual and Irvington Official 1 at City Hall in Irvington, New Jersey. Prior to this meeting with Irvington Official 1, defendant KEITH O. REID advised the CWs that he had a private meeting with Irvington Official 1 over that past weekend. Defendant KEITH O. REID further stated that, during this meeting, defendant KEITH O. REID and Irvington Official 1 discussed the Township of Irvington government conducting insurance brokerage business with the FBI Undercover Company, and defendant KEITH O. REID further indicated that he "would continue to make something happen."

6. It was a further part of the conspiracy that, once the meeting with Irvington Official 1 began, the parties continued to discuss the FBI Undercover Company's obtaining insurance brokerage business with the Township of Irvington government. At the conclusion of the meeting, Irvington Official 1 met privately with CW-2 in the hallway. During this meeting, CW-2 attempted to give Irvington Official 1 a

cash payment of \$5,000 in exchange for Irvington Official 1's assistance in securing insurance brokerage business with the Township of Irvington. In this regard, the following conversation ensued:

CW-2: But its just a pre-commission. You know, we're this close to moving that thing along. It's only five thousand.

IO-1: Give it to Keith.

CW-2: I'll give it to Keith? Okay.

7. It was a further part of the conspiracy that, shortly after the meeting with Irvington Official 1, defendant KEITH O. REID met privately with CW-2 in a car in Elizabeth, New Jersey. During this conversation, CW-2 told defendant KEITH O. REID that Irvington Official 1 told CW-2 to give the \$5,000 cash payment to defendant KEITH O. REID. Defendant KEITH O. REID accepted the \$5,000 cash payment and warned CW-2 not to attempt to deliver cash payments to public officials directly. Defendant KEITH O. REID also discussed the giving and accepting of such corrupt payments further, as follows: "My suggestion would definitely be to . . . not let a lot of people in the kitchen. I mean, there just needs to be, you know what I mean, a buffer or something."

8. It was a further part of the conspiracy that, as this meeting continued, defendant KEITH O. REID explained that defendant KEITH O. REID would receive his "marching orders" from Irvington Official 1 and serve as Irvington Official 1's

intermediary in matters involving the FBI Undercover Company, since defendant KEITH O. REID was "someone who [didn't] have an office to lose." Later in the conversation, defendant KEITH O. REID reiterated why CW-2 should make the payments to defendant KEITH O. REID as an intermediary, rather than directly to the public officials, by stating "[t]hese guys are working for us . . . why create an atmosphere where they feel we're trying to get them locked up?" Defendant KEITH O. REID further explained to CW-2 that "[i]t makes no sense for us to be in a position that makes people nervous But it doesn't make people nervous, depending on who is routing it."

9. It was a further part of the conspiracy that, on or about September 4, 2007, defendant KEITH O. REID met CW-2 privately in a car in Iselin, New Jersey. During this meeting, defendant KEITH O. REID indicated that he gave the \$5,000 cash payment, referenced in paragraph 6 of Count 6, to Irvington Official 1 and another Irvington official ["Irvington Official 2"], and reassured CW-2 that the FBI Undercover Company would obtain insurance brokerage business with the Township of Irvington.

10. It was a further part of the conspiracy that, towards the conclusion of the conversation, defendant KEITH O. REID reaffirmed his role as Irvington Official 1's intermediary by describing himself as Irvington Official 1's "go-through guy."

In violation of Title 18, United States Code, Section 1951(a).

COUNT 7

Defendant Reid's Acceptance and Agreement to Accept Payments to Influence and Reward Irvington Official 1

1. Paragraph 1 of Counts 1 and 2 and paragraphs 5 to 10 of Count 6 are hereby incorporated and realleged as if fully set forth herein.

2. At all times relevant to this Count, the Township of Irvington received in excess of \$10,000 in federal assistance in a one-year period.

3. On or about August 20, 2007, in Essex County, in the District of New Jersey, and elsewhere, defendant

KEITH O. REID

did knowingly, willfully and corruptly accept and agree to accept a \$5,000 cash payment from another, at the instruction of Irvington Official 1, intending Irvington Official 1 to be influenced and rewarded in connection with a business, transaction and series of transactions with the Township of Irvington involving a thing of value of \$5,000 or more.

In violation of Title 18, United States Code, Section
666(a)(1)(B) and Section 2.

FOREPERSON

CHRISTOPHER J. CHRISTIE
UNITED STATES ATTORNEY