Are Politicians Entitled?:
Notes From Law Enforcement

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Is It That Bad?

New Jersey: We’re Special!
- Lots of Government = Lots of Opportunity
- Corruption: Not just a job for law enforcement
- Our Goal: To demonstrate how government officials, especially those involved in the purchasing or auditing process, are vital to what we do

Before We Begin...

Some Vocabulary:
- **Public Officials**: including all elected and non-elected government employees, as well as non-government employees who perform a regulatory or enforcement function at the municipal, county and state level
- **Corruption**: any violation of duties of office for personal gain (e.g., Bribery, Official Misconduct, Unlawful Gifts)
More Vocabulary

- **Contract Fraud**: ANY false claim for payment on a public contract OR material misrepresentation in the negotiation, award OR performance of a government contract.

- **Material Misrepresentation**: a knowingly false representation that is relevant (not trivial or meaningless) to the governmental body awarding the contract.

More Vocabulary

- **Conflict of Interest**: acting on an official matter where there is an undisclosed personal interest.

- **Nonpublic Information**: information that is not available to the general public, given to the public official by virtue of his/her position with the intent that he/she keep it secret.

Who We Are

**New Jersey Division of Criminal Justice**

- Office of the Attorney General
- Born 1970 with the New Jersey Criminal Justice Act
- Our Mission: To detect, enforce and prosecute the criminal activity of the State
- Coordinate efforts and resources with local, county and state level law enforcement.
Who We Are

New Jersey State Police

- Born 1921

- Committed to protect, preserve, and safeguard the constitutional and civil rights of all citizens through impartial and courteous law enforcement with integrity and professionalism.

- Honor, Duty, Fidelity

Combining Forces

- Corruption Bureaus in Trenton, North Jersey and South Jersey

- We work together - Division of Criminal Justice Corruption Bureau and New Jersey State Police Official Corruption Bureau

- Strength in numbers and areas of experience leads to higher detection

- Detectives teamed with Deputy Attorneys General from the onset of the investigation leads to strong cases

What We Do

- Sources of initial allegations

- Following the evidence wherever it leads

- Perfection doesn't happen overnight - we stay in for the long haul

- Ethical v. Criminal: A Higher Standard......
Official Misconduct
2C:30-2

- Elements
  - Public Servant
  - Purpose to receive a benefit or inflict harm
    - What are benefits?
    - Benefit can be for self or another
    - Commit an act or refrain from committing an act related to public office
    - Act is unauthorized and actor knows it is unauthorized

Official Misconduct
Penalties

- Crime of the 2nd degree if benefit obtained/sought is $200 and over; 3rd degree if under $200
- March 2007: Enhanced penalty of mandatory minimum of 5 years state prison, up to $150,000 fine for 2nd degree conviction; minimum 2 years for 3rd degree conviction

Penalties Continued

- Both 2nd and 3rd degree convictions carry automatic forfeiture of entire pension
- Forfeiture of public employment and lifetime ban on future public employment
Other Related Statutes...

- Theft (2C:20-3) or Misapplication of Entrusted/Govt. Property (2C:21-15)
- Bribery (2C:27-2)
- Tampering with Public Records or Information (2C:28-7)
- Falsifying or Tampering with Records (2C:21-4)
- Acceptance/Offer of Unlawful Benefit to Public Servant for Official Behavior (2C:27-10 and 2C:27-11)

Government Contract Fraud 2C:21-34

- Knowingly submit a false claim for payment in performance of government contract OR
- Knowingly make a material misrepresentation in the negotiation, award or performance of the contract
- Crime of 2nd degree if the false claim or contract is over $25,000

Government Contract Fraud Penalties

- State Prison – 2nd degree crime – 5 to 10 years
- Debarment – 10 years for second degree crime; 5 years for 3rd degree crime
- Anticorruption Profiteering Penalty – Up to $500,000
Are Public Officials Entitled - Danger Signs

- “They owe me” attitude
- A desire to use public position to profit
- A desire to use public position to help family and friends
- A desire to use public position to gain political financial support through the award of contracts

Issues We Face

- Mitigation by the public and witnesses
- Impact of appearances on reality
- Cooperation…or lack of

Who Gets Served in Public Service?

- Motivation: We’re going to be rich!!
- Belief in fairness and adherence to the rules
- Experience: Is it good or bad?

Knowledge + Lack of Supervision = Potential for Problems
Case Study #1

Catherine Gangaware
- Chief Financial Officer
- Control of payroll, including her own
- Unauthorized benefits
- Multiple municipalities
- Breakdown of supervision
- Guilty plea – 3rd degree Theft
- 364 day jail sentence, lifetime ban on public employment, restitution

Case Study #2

Knowlton Board of Education - Kevin Mulligan
- Business Administrator, Knowlton Bd. Of Ed.
- Submitted and paid false invoices, then kept the money – over $70,000
- Used the money to fund his own drug use, as well as personal expenses, including vacations
- Lack of supervision, lack of internal controls
- Guilty plea – second degree Official Misconduct
- 3 year state prison sentence, forfeiture of pension, lifetime ban on public employment + restitution

Case Study #3

Pension Fraud - John Marion
- Former Waldwick Police Officer
- Claimed disability and retired on disability pension, then immediately started work as a Sheriff Officer in Georgia
- Paid over $321,000 in disability pension benefits
- Guilty plea – third degree Theft By Deception
- Sentenced to one year in county jail and full restitution
Case Study #4

State v. Joseph Vas
- Mayor, Perth Amboy
- Numerous schemes, including
  1. Theft of a house to city employee through rigged HUD lottery
  2. Use of city vendors to do free work at his house
  3. Use of city vendor to inflate bills to pay for a reception at the newly completed City Hall
  4. Use of public funds to pay personal expenses such as eyeglasses, sports camps for family, etc.

State v. Joseph Vas (cont.)
- Guilty plea to multiple indictments
- Aggregate sentence – 8 years state prison with 5 years parole ineligibility
- Cooperation of the local public officials was key to making this case

Case Study #5

Time/Overtime Theft - Alkesh Desai and Harish Bhandari
- NJ Dept. of Transportation engineers
- Overtime abuse and theft of time – falsification of time records
- “Emergency” overtime = joyriding around the state
- Guilty pleas – third degree Theft By Deception
- Each sentenced to one year in county jail, lifetime ban on public employment, restitution
Case Study #6

**Bribery - Logan Holt**
- Atlantic City Mercantile inspector
- Bribery of various people being inspected
- Captured $800 bribe on video
- Guilty plea – second degree Official Misconduct
- Five year State Prison sentence with two years parole ineligibility, lifetime ban on public employment, restitution

Case Study #7

**Theft of Entrusted Funds - Seaville Volunteer Fire Department**
- Chief of Fire Department – Eugene Spiegel
- Theft of over $44,000 in fire department funds
- Involvement of son and additional theft by treasurer of fire department
- Guilty plea – second degree Conspiracy
- Five year state prison sentence, restitution, lifetime ban on public employment

YOU Are A Line of Defense

- Parallel duties of local officials and law enforcement
- Well-versed in regulations and the adherence to them
- Attention to detail is the key
- How things happened v. how they were supposed to happen
- Eyes and ears of the governmental entity or agency
- This was invaluable in the Vas and Gangaware cases
We Assemble the Puzzle, You Provide the Pieces

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