



*United States Attorney
District of New Jersey*

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**FORMER NEWARK WATERSHED CONSERVATION AND DEVELOPMENT
OFFICIAL INDICTED IN KICKBACK SCHEME, MONEY LAUNDERING**

One Contractor Who Paid Kickbacks Also Charged

NEWARK, N.J. – A former high ranking employee of the Newark Watershed Conservation and Development Corp. (NWCDC) and a contractor from whom he allegedly received kickbacks were indicted by a federal grand jury today in connection with a scheme to solicit and accept payments for work by outside contractors, U.S. Attorney Paul J. Fishman announced.

Donald Bernard Sr., 67, of Newark, is charged in the indictment with six counts of defrauding the corporation of his honest services, four counts of violating the Travel Act, three counts of extortion under color of official right affecting interstate commerce, two counts of wire fraud and three counts of money laundering.

Giacomo (Jack) DeRosa, 58, of Clinton Township, New Jersey, was indicted separately on two counts of wire fraud, one count of violating the Travel Act and three counts of money laundering.

According to the documents filed in this case and statements made in court:

During the time that Bernard was a consultant to NWCDC (2008 through 2009), as well as when he worked there as manager of Special Projects (January 2010 through March 2013), he devised scheme to accept a stream of concealed and undisclosed bribes and kickbacks from contractors. Bernard agreed to accept, and did accept, at least \$730,000 in kickbacks directly and indirectly from various contractors, including DeRosa. Bernard assisted the contractors in financing the payments to him by causing certain contractors to submit fraudulent and inflated invoices to the NWCDC, which contained materially false representations and half-truths, in many instances billing the NWCDC for work that was never performed.

For example, from August 2008 to January 2011, Bernard accepted approximately \$136,000 in kickbacks from a Newark company (Company 1) that performed printing work for the NWCDC. At times, due to the physical ailments suffered by the proprietor of the company, Bernard obtained blank checks from the company signed by the proprietor, which Bernard filled out payable to himself or his consulting company, Bernard & Associates (B&A), with the proprietor's consent.

The maximum potential penalties per count are detailed in the chart below:

COUNTS OF INDICTMENT	DEFENDANT	CHARGE	MAXIMUM PENALTY PER COUNT
Counts 1 to 6	Bernard	18 U.S.C. §§ 1343 and 1346 (Wire Fraud)	20 years
Counts 1 and 2	DeRosa		
Counts 7 to 11	Bernard	18 U.S.C. § 1952(a)(3) (the Travel Act)	5 years
Count 3	DeRosa		
Counts 12 to 15	Bernard	18 U.S.C. § 1951(a) (extortion under color of official right affecting interstate commerce)	20 years
Counts 16 and 17	Bernard	18 U.S.C. § 1343 (Wire Fraud)	20 years
Counts 18 to 20	Bernard	18 U.S.C. § 1956(a)(1)(B)(i) (Money Laundering)	20 years
Counts 4 to 6	DeRosa		

The maximum fines for all of the above violations except the money laundering charges are \$250,000 or twice the gain or loss resulting from the offense. The maximum fines for the money laundering charges are: \$500,000, or twice the value of the property involved in the money laundering transactions, or twice the gain or loss resulting from the offense, whichever is greatest.

The Bernard indictment also seeks forfeiture of \$1.4 million to \$1.8 million in connection with the fraudulent schemes and forfeiture of \$20,000 in connection with the money laundering charges. The DeRosa indictment seeks forfeiture of between \$200,000 and \$360,000 in connection with the fraudulent scheme and forfeiture of at least \$20,000 in connection with the money laundering charges.

U.S. Attorney Fishman credited special agents of the FBI's Newark Field Office, under the direction of Special Agent in Charge Aaron T. Ford; IRS – Criminal Investigation, Newark Field Office, under the direction of Acting Special Agent in Charge Jonathan D. Larsen; and the U.S. Department of Housing and Urban Development Office of Inspector General, Newark office, under the direction of Special Agent in Charge Christina Scaringi, as well as criminal investigators of the U.S. Attorney's Office, for the investigation leading to the charges.

The government is represented by Assistant U.S. Attorneys Jacques S. Pierre and Mala Ahuja Harker of the U.S. Attorney's Office Special Prosecutions Division.

The charges and allegations contained in the indictments are merely accusations and the defendants are considered innocent unless and until proven guilty.

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Defense counsel:

Bernard Sr.: Thomas Ashley Esq., Newark

DeRosa: Anthony Pope Esq., Newark