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44 Charged by U.S. in New Jersey Corruption Sweep

By **DAVID M. HALBFINGER**

A two-year corruption and international money-laundering investigation stretching from the Jersey Shore to Brooklyn to Israel and Switzerland culminated in charges against 44 people on Thursday, including three New Jersey mayors, two state assemblymen and five rabbis, the authorities said.

The case began with bank fraud charges against a member of an insular Syrian Jewish enclave centered in a seaside town. But when that man became a federal informant and posed as a crooked real estate developer offering cash bribes to obtain government approvals, it mushroomed into a political scandal that could rival any of the most explosive and sleazy episodes in New Jersey's recent past.

It was replete with tales of the illegal sales of body parts; of furtive negotiations in diners, parking lots and boiler rooms; of nervous jokes about "patting down" a man who turned out to indeed be an informant; and, again and again, of the passing of cash — once in a box of Apple Jacks cereal stuffed with \$97,000.

"For these defendants, corruption was a way of life," Ralph J. Marra Jr., the acting United States attorney in New Jersey, said at a news conference. "They existed in an ethics-free zone."

Mr. Marra said that average citizens "don't have a chance" against the culture of influence peddling the investigation had unearthed.

Even veteran political observers were taken aback by the scope of the investigation. The mayors of Hoboken, Secaucus and Ridgefield were among those arrested.

"This is so massive," said Joseph Marbach, a political scientist at [Seton Hall University](#). "It's going to just reinforce the stereotype of New Jersey politics and corruption."

The arrests had immediate reverberations in the governor's race, and a member of Gov. [Jon S. Corzine](#)'s administration was forced to resign after federal agents raided his home.

The authorities laid out two separate schemes, one involving money laundering that led to rabbis and members of the Syrian Jewish community in Brooklyn and in the Jersey Shore town of Deal, where many of them have summer homes. The other dealt with political corruption and bribery and involved public officials mostly in Jersey City and Hoboken, where the pace of development has been particularly intense in recent years.

Linking the two schemes was the federal informant who was not named in court papers but whom people involved with the investigation identified as Solomon Dwek, a failed real estate developer and philanthropist who was arrested in May 2006 on charges of passing a bad \$25 million check at a bank in Monmouth

County, N.J.

Early on, Mr. Dwek helped investigators penetrate an extensive network of money laundering that involved rabbis in the Flatbush section of Brooklyn, where the Syrian Jewish community is based, and in Deal and Elberon, towns on the Jersey Shore.

Mr. Dwek, a well-known member of the Syrian Jewish community whose parents founded the Deal Yeshiva, never concealed that he was facing bank fraud charges, instead telling targets, who included three rabbis in Brooklyn and two in New Jersey, that he was bankrupt and trying to conceal his assets, according to people involved in the case. The targets, in turn, accepted bank checks Mr. Dwek made out to charities that they oversaw, deducted a fee, and returned the rest to him in cash.

Much of the cash they provided him came from Israel, and some of that in turn came from a Swiss banker, prosecutors said. All told, some \$3 million was laundered for Mr. Dwek since June 2007, prosecutors said.

The case shifted to focus on public corruption, prosecutors say, after one of the men accused of money laundering, Moshe Altman of Monsey, N.Y., a Hudson County developer, introduced Mr. Zwek to a politically connected building inspector in Jersey City, who then steered him to another city official, Maher Khalil.

Mr. Khalil, who is accused of accepting \$30,000 in bribes from Mr. Dwek, made a series of referrals to what he called “players,” helping Mr. Dwek to branch out to a web of public officials, mayoral and council candidates, and their confidants.

Mr. Dwek — now operating under an assumed identity, according to people involved in the case — honed an approach: introduced to a local influence-peddler, he would say he was looking to build high-rises or other projects in their city or county.

He would offer \$5,000 in cash for an upcoming campaign, or as a straight-up bribe, with the promise of more to come, and with earnest pleas that his official requests be “taken care of.” And he would pull the money out of the trunk of his car.

He also came up with a lingo: corrupt payments were “invitations,” approvals for development projects were “opportunities.” The communities where his pitch appears to have worked included Jersey City, Hoboken, Bayonne, Ridgefield and parts of Ocean County.

Among the public officials arrested were Mayor Peter J. Cammarano III of Hoboken, who was a City Council member before he took office as mayor on July 1, and Mayor Dennis Elwell of Secaucus, both Democrats; Assemblyman L. Harvey Smith of Jersey City, also a Democrat; and Assemblyman Daniel M. Van Pelt, a Republican from Ocean County.

Like some of the others arrested, Mr. Smith, a former teacher, ran for office on an anticorruption platform, telling The New York Times: “I don’t take cash. I don’t let people give me things.” He is charged with taking \$15,000 in bribes.

Mr. Van Pelt, who sits on an assembly committee that oversees the Department of Environmental

Protection, was accused of accepting money to help the informant obtain environmental permits. In a meeting in Atlantic City in February, prosecutors charged, Mr. Van Pelt assured Mr. Dwek that the environmental agency “worked for” him, then took \$10,000 in cash and told the informant to call him “any time.”

The bulk of the corruption charges arose in Hudson County. The president of the City Council in Jersey City, Mariano Vega Jr., and the city’s deputy mayor, Leona Beldini, were also arrested. Mr. Vega took three \$10,000 payments before and after the municipal elections in May, prosecutors said. Anthony R. Suarez, the mayor of Ridgefield, in Bergen County, was charged with accepting \$10,000 in bribes.

The court papers suggest the ease, and the relatively modest payments, with which local officials seemed willing to be part of the scheme.

In Hoboken, prosecutors charge in their complaint, Mr. Cammarano, then a councilman running for mayor, eagerly agreed in a meeting at the Malibu Diner this year to help Mr. Dwek with his projects in exchange for cash. Prosecutors said that when Mr. Dwek asked for assurances that his requests would be expedited by the Hoboken City Council, Mr. Cammarano replied, “I promise you,” adding, “You’re going to be, you’re going to be treated like a friend.”

Mr. Dwek responded that he would give a middleman \$5,000 in cash for Mr. Cammarano and another \$5,000 after his election as mayor.

“O.K.,” Mr. Cammarano replied, according to the complaint. “Beautiful.”

And Mr. Cammarano expressed confidence that he would be elected no matter what, according to the complaint. “Right now, the Italians, the Hispanics, the seniors are locked down,” he is quoted as saying. “Nothing can change that now.”

“I could be, uh, indicted,” he continued, “and I’m still going to win 85 to 95 percent of those populations.”

It is not clear from the federal documents whether Mr. Dwek indeed owned any properties or whether any of the developments he proposed were ever built.

In the money laundering scheme, the rabbis arrested included Saul J. Kassin, 87, a leader of the Syrian Jewish community in Brooklyn and New Jersey; Mordchai Fish and Lavel Schwartz, both rabbis in Brooklyn; and Eliahu Ben Haim and Edmund Nahum, who lead congregations in Deal.

Rabbi Nahum, prosecutors said, told Mr. Dwek that he should spread his money through a number of rabbis. “The more it’s spread the better,” Rabbi Nahum said, according to the complaint.

Another man in Brooklyn, Levy-Izhak Rosenbaum, was accused of enticing vulnerable people to give up a kidney for \$10,000 and then selling the organ for \$160,000. Mr. Dwek pretended to be soliciting a kidney on behalf of someone and Mr. Rosenbaum said that he had been in business of buying organs for years, according to the complaint.

Weysan Dun, the special agent in charge of the Federal Bureau of Investigation’s Newark office, emphasized

that the case was motivated by neither religion nor politics. That is an important point since New Jersey governor's race pits a former United States attorney, [Christopher J. Christie](#), a Republican, under whom the investigation began, against the Democratic incumbent, Mr. Corzine, whose administration was caught up in the arrests Thursday.

Agents raided the home of [Joseph V. Doria Jr.](#), commissioner of the state's Department of Community Affairs. Mr. Doria, who is also the former mayor of Bayonne, resigned hours later at Governor Corzine's request, officials said.

"Any corruption is unacceptable — anywhere, anytime, by anybody," the governor said in a statement. "The scale of corruption we're seeing as this unfolds is simply outrageous and cannot be tolerated." He also called for the resignations of Mr. Smith and Mr. Van Pelt.

Mr. Christie called it a "really tragic day," and said that he had worked "extraordinarily hard" to combat corruption in his seven years as a prosecutor, but that, "unfortunately, today is another example that there is much work still to be done."

Outside Hoboken's City Hall on Thursday, where a sign still had Mr. Cammarano's predecessor's name on it, residents chatted about the news. Some said they had come to expect as much from their politicians.

Others retained the capacity for shock. Carlos Ochoa, 63, a city street sweeper, said he had volunteered for the new mayor's campaign. "I'm very disappointed," he said. "I had a lot of expectations of him."

Reporting was contributed by Kitty Bennett, David W. Chen, Kareem Fahim, William K. Rashbaum, Nate Schweber and Karen Zraick.

This article has been revised to reflect the following correction:

Correction: July 25, 2009

A chart in some editions on Friday with an article about the arrest of 44 people in a New Jersey corruption investigation misstated the title of Joseph V. Doria Jr., a state official who resigned after federal agents raided his home. He was the commissioner of community affairs, not the director of consumer affairs.

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