



THE YEAR IN REVIEW (2015-2016)

Commission investigations with our law enforcement partners resulted in arrests of 180 individuals on state and federal charges as well as the seizure of over 63.6 kilos of heroin, 7,454 kilos of cocaine, 1303 pounds of marijuana, and 280 grams of Crystal Meth as well as the seizure of 30 firearms and almost \$3.48 million in proceeds from drug transactions, loan sharking and illegal gambling and the recovery of 2 stolen vehicles.

The Commission worked with the following law enforcement agencies on investigations and prosecutions:

- U.S. Attorneys' Offices for the Southern and Eastern Districts of New York, and the District of New Jersey
- U.S. Department of Justice – Organized Crime and Gangs
- U.S. Customs and Border Patrol
- U.S. Immigration and Customs Enforcement/Homeland Security Investigations
- U.S. Immigration and Customs Enforcement/El Dorado Task Force
- U.S. Department of Labor – Office of the Inspector General
- U.S. Drug Enforcement Administration
- Federal Bureau of Investigation
- Internal Revenue Service – Criminal Investigation Division
- New Jersey Attorney General's Office – Division of Criminal Justice
- New York County District Attorney's Office
- Queens County District Attorney's Office
- Richmond County District Attorney's Office
- Kings County District Attorney's Office
- Bergen County Prosecutor's Office
- Essex County Prosecutor's Office
- Passaic County Prosecutor's Office
- Union County Prosecutor's Office
- New Jersey State Police Auto Theft Task Force
- New Jersey State Police Cargo Theft Task Force
- New York City Police Department
- New Jersey State Commission of Investigation
- New York City Business Integrity Commission



WATERFRONT COMMISSION OF NEW YORK HARBOR CASE SUMMARY (2015-2016)

July 7, 2015 - Warehouseman Suspended after Arrest for Aggravated Sexual Assault on a Child. Warehouseman Luis Otero was suspended by the Commission after his arrest on charges including Aggravated Sexual Assault and Sexual Assault of a Victim less than 13 years old. Otero's registration was suspended pending the outcome of an administrative hearing in the matter.

July 8, 2015 – New Jersey Brothers Convicted of Shipping

\$1 Million Worth of Stolen Cars. Andrew Clarke of Irvington, NJ and Llewellyn Clarke of North Plainfield, NJ were convicted in Federal Court in Newark for their roles in a large-scale conspiracy to ship stolen luxury cars to Hong Kong and elsewhere. The two men were convicted on all four counts of a superseding indictment charging them each with one count of conspiracy to transport stolen motor vehicles and three counts of transportation of stolen motor vehicles in interstate and foreign commerce. They were convicted following a three-week trial before U.S. District Court Judge Robert B. Kugler. The stolen car exportation ring was investigated by a multi-agency task force including the Waterfront Commission. The investigation revealed that the Clarkes were purchasing stolen luxury cars from thieves operating in northern New Jersey and New York. The Clarke brothers then recruited other conspirators to "re-tag" those cars, or have fraudulent vehicle identification numbers placed on the cars to mask the fact that they were stolen, and then had false title documents produced for those cars in New Jersey and Georgia. After the fake documents were created, the Clarkes shipped several of those stolen cars, valued at nearly \$1 million, from New Jersey to Hong Kong, while other cars were shipped to Georgia, Maryland and elsewhere. Once overseas or out-of-state, the stolen cars were then re-sold, some to unsuspecting buyers who later learned that their vehicles were in fact stolen. Both men face up to 35 years in prison as a result of their convictions.



Leonard Moravek

Joseph Queli

July 21, 2015: Superior Court of New Jersey, Appellate Division Affirms the Commission's Revocation of Checker's Registration for Association with Genovese Soldier. The New Jersey Appellate Division affirmed the decision of the Waterfront Commission to revoke the registration of checker Leonard Moravek. Moravek was charged with associating with Joseph Queli, a convicted racketeer who was identified by law

enforcement authorities as a soldier in the Genovese crime family. Moravek had accepted a loan from Queli, and had owed Queli money over a period of two and a half years until the loan was repaid. After an administrative hearing, Administrative Law Judge Patrick McGinley found that the Commission established the charges against Moravek by a fair preponderance of the credible evidence, and recommended that Moravek's registration as a checker be revoked. Having duly considered the record of the proceedings and the ALJ's Report and Recommendations, the Commission revoked Moravek's registration. On appeal, Moravek challenged the Commission's interpretation of the association provisions of the Waterfront Commission Act as being a strict liability statute. He argued that the Commission failed to use the proper definitions of "association" and "inimical" in making its determination that he had

associated with Queli under circumstances that were inimical to the policies of the Act. He further contended that the revocation of his registration was disproportionate to the alleged offense.

The Appellate Division summarily rejected these arguments and found that the Commission's findings of fact and conclusions of law were legally sound and supported by sufficient credible evidence of record. Citing the precedential *In re Pontoriero* opinion, the court upheld the Commission's interpretation of "association" as encompassing the ordinary meaning of the term: "to keep company, as a friend, companion or ally." The court also endorsed the Commission's interpretation of "inimical," as being "adverse to the public confidence and trust in the credibility, integrity and stability of the waterfront and in the strict regulatory process of the Act." The court observed that Moravek's position as a checker was highly sensitive to corruption, and agreed with the ALJ's conclusion that borrowing money from a member of organized crime was "a reckless act that could have led to dire consequences," especially for a checker on the waterfront. As such, the court found that there was clear evidence that a reasonably objective observer could believe that Queli could have influenced Moravek in his role as a checker, making Moravek's association with Queli inimical to the Act.

August 19, 2015 - DeCavalcante Associate Admits Distribution of Cocaine, Running a Prostitution Operation and Possessing a Weapon as a Convicted Felon.

Anthony "Whitey" Stango of Brick, NJ, an associate of the DeCavalcante crime family, admitted his role in distributing more than 500 grams of cocaine, running a prostitution operation and possessing a shotgun as a convicted felon. Stango pleaded guilty before U.S. District Court Judge William H. Walls to the sale of between 500 grams to 1.5 kilos of cocaine; use of the telephone in interstate commerce to conduct a prostitution operation; and possession of a



firearm by a convicted felon. Stango was arrested March 12, 2015, as part of a sweep of 10 members of the DeCavalcante crime family, which operated in New Jersey and elsewhere. The crime family engaged in numerous offenses, including fraud, distribution of controlled substances, prostitution, gambling, the sale of stolen and contraband goods, murder, assault, extortion, and other crimes of violence. Stango admitted conducting a drug operation that, on eight separate occasions from December 2014 to March 2015, sold between 500 grams to 1.5 kilos of cocaine to an undercover law enforcement officer. During that same time period, Stango worked to set up a prostitution operation in New Jersey. Recorded conversations reflected discussions he had with his father, DeCavalcante Capo Charles "Charlie the Hat" Stango, who at the time was living in Nevada. Stango advised his father that he had already spoken with one or more prostitutes about the details of the operation, their fees and the conditions under which the women would be providing services. Stango also admitted possessing an H&R Pardner 12 gauge pump action shotgun, while being a convicted felon.

September 1, 2015 – Crane Operator Revoked for Associating with Organized Crime Figures, Convicted Racketeers and Career Offenders. The Commission unanimously ordered the immediate revocation of the longshoreman registration of crane operator Dominick Dinapoli of Staten Island. After a hearing, an Administrative Law Judge found that Dinapoli had associated with the following career offenders:

- Mario Gallo, a hitman of the Bonanno and Lucchese Crime Families who was convicted of murder in aid of racketeering and conspiracy to distribute cocaine, among other charges. Dinapoli visited Gallo in prison and transferred money into Gallo's prison commissary

account. Following Gallo's release from prison, Dinapoli introduced him to other longshoremen, including crane operators and a checker who hold sensitive positions on the waterfront.

- Samuel Santiago, a Latin King and convicted racketeer. On 15 occasions, Dinapoli transferred money into Santiago's prison commissary account.
- Katosh Pantoliano, a career offender convicted in connection to robberies of narcotics traffickers and gambling parlors. Dinapoli was in contact with Pantoliano both during and between the latter's stints in prison.
- Convicted drug traffickers Frank Pellegrino, William Brown, Ricky Marrow Jr., and Donta Douglas Nelson. Dinapoli associated with these career offenders during their incarcerations. He was in phone contact with one of these inmates and transferred \$2,600 into the commissary accounts of the other inmates.

The ALJ found that Dinapoli's associations created "an unacceptable risk of corruption" and were "adverse to the public confidence and trust in the credibility, integrity and stability of the Waterfront and in the strict regulated process of the Waterfront Commission Act." The ALJ further found that Dinapoli "undermined the Commission's continuing efforts to ensure public peace or safety by reducing corruption on the Waterfront." In addition to the ALJ findings, the Commissioners found that Dinapoli had committed fraud, deceit, or misrepresentation by falsely



Dominick Dinapoli Mario Gallo Katosh Pantoliano

testifying under oath regarding his associations with prison inmates and Gallo's interactions with longshoremen during a trip to the Dominican Republic. The Commission adopted the Administrative Law Judge's recommendation to revoke Dinapoli's registration as a longshoreman

September 1, 2015 - Longshoreman Suspended Following Pier Fatality.

Longshoreman Victor Belo of North Arlington, NJ was suspended and a Notice of Hearing issued after his arrest on charges of second-degree Death by Auto, Driving While Intoxicated and Reckless Driving. Belo operated a Top Loader while under the influence of alcohol, resulting in the death of longshore worker Judy Jones. The Commission temporarily suspended Belo's longshoreman registration pending the outcome of an administrative hearing. The case is being prosecuted by the Union County Prosecutor's Office.



September 22, 2015 - Longshoreman Suspended for Illegal Possession of Handgun and Possession of a Large Capacity Magazine.

Longshoreman Johnnie Taylor of North Hampton, PA, was suspended by the Commission and a notice of hearing was issued after his arrest in East Orange, New Jersey for Possession of a Weapon, a second degree offense, and Possession of a Large Capacity Ammunition Magazine, a fourth degree offense. Taylor was stopped after his vehicle was observed swerving across the road and running through a stop sign. Police observed a Smith & Wesson .9 mm. handgun with a 15 round clip on the front seat of the vehicle. The Commission temporarily suspended Taylor's longshoreman registration pending the outcome of an administrative hearing. Taylor is the former vice president of ILA Local 1588.

October 16, 2015 – Elizabeth Longshoreman Admits to Orchestrating Mortgage Fraud Scheme Targeting Co-Workers.

A longshoreman working at the Port Newark-Elizabeth Marine Terminal admitted to bilking a dozen co-workers out of nearly \$87,000 via a fraudulent mortgage loan modification program. Pedro Lopez, of Elizabeth NJ, pleaded guilty second-degree theft by deception. The case was referred by the Waterfront Commission to the Union



County Prosecutor's Office Special Prosecutions Unit earlier this year. A joint investigation involving both law enforcement agencies revealed that starting in June 2010, Lopez began approaching co-workers to solicit their involvement in a mortgage loan modification program he claimed would significantly lower their individual mortgage payments or eliminate their mortgages altogether. Each victim was required to pay up to \$15,000 to become part of the program, and several later were asked for additional funds for the processing of paperwork. Lopez allegedly collected a combined total of \$86,800 from the six victims, and despite reassuring them during the course of nearly five years that the program took time to yield results, none of the promised mortgage savings ever materialized.

October 28, 2015 – 21 Charged in Takedown of International Carjacking/ Theft that Stole Luxury Cars from Suburbs in New Jersey and New York to Sell Overseas Law Enforcement in “Operation 17 Corridor” Recovered 90 Cars Worth over \$4 million.

Twenty one men were charged in the takedown of a major international carjacking and stolen car trafficking ring that stole luxury cars from suburbs along the Route 17 corridor in New Jersey and neighboring New York, as well as other suburban communities in northern and central New Jersey, shipping the cars to West Africa where they command premium prices. A multi-agency team, including the Waterfront Commission Police, fanned out to execute arrest warrants. Charges included first-degree racketeering, carjacking and money laundering.

Approximately 90 stolen cars worth more than \$4 million were recovered in “Operation 17 Corridor,” a 16-month investigation led by the New Jersey Attorney General's Office - Division of Criminal Justice and the New Jersey State Police, assisted by The Port Authority of New York & New Jersey Police, ICE Homeland Security Investigations, the Waterfront Commission and numerous other agencies.

The ring operated based on demand for specific vehicles. The types of vehicles frequently sought included various models of Land Rover, Mercedes Benz, BMW, Maserati, Porsche, Jaguar and Bentley. Some vehicles were taken through carjackings, while others were stolen from locations where the thieves were able to steal them with one or more of their electronic keys or key fobs, which are critical to the resale value of the cars. Three men were charged as leaders of the auto theft trafficking ring. Within the ring, individuals filled various roles, including carjacker, car thief, wheel man, fence, shipper and buyer. Shippers would load the cars into shipping containers, which were taken to ports for transport by ship to West Africa.

In addition to carjackings, ring members used a variety of methods to steal cars with their keys. Cars were stolen from gas stations, convenience stores, carwashes and airports, where the drivers got out and left vehicles running. Other cars were stolen from car dealerships. Thieves also would search wealthy neighborhoods and find high-end cars unlocked with the key fob in the glove box. In other cases, individuals in the ring would use fraudulent credit cards with stolen or fictitious identities to rent desired cars from car rental agencies and simply never return them. Of the cars recovered, 19 were rental cars. Some of the cars would be “retagged” with new vehicle identification numbers and taken to another state, where new titles and temporary tags were obtained. In this way the stolen cars were essentially “laundered.” A total of 17 of the stolen cars that were recovered had been retagged.

After vehicles were stolen, the theft crew typically would store or “cool off” the cars at various locations, including short-term airport parking garages, residential parking complexes, residential back yards, commercial warehouses and shipping containers, to make sure they were not equipped with tracking devices that would lead law enforcement to them. Other times, members of the ring removed tracking devices from the cars. After a vehicle was sufficiently “cooled,” it was moved to a “fence.” There were multiple levels of fences through which the stolen cars typically moved before reaching their ultimate destinations. The fences arrested within this organization would generally buy stolen cars directly from a theft crew or a lower-level fence within the organization. The fences then moved the car up to a higher-level fence or, in the case of a high-ranking fence, sold the car directly to a buyer. The stolen cars were fenced both domestically and internationally. Domestically, the stolen vehicles have been found in Arizona, Maryland, North Carolina, New York, Georgia, Texas, and New Jersey. Internationally, the vehicles were most frequently exported to West Africa, including the countries of Ghana, Nigeria, Guinea, and Gambia. Luxury vehicles can sell in West Africa for prices in excess of new market value in the United States.

The fences used “wheel men” to move the stolen cars to different locations while purchase prices were being negotiated with other fences and potential buyers. The “shippers” who have been charged allegedly facilitated the organization’s illicit operation by arranging for stolen cars to be placed on shipping containers and transported to different seaports within New Jersey and New York. They completed a bill of lading for the container that typically misrepresented the actual contents of the container. The loading locations used include Evans Terminal in Hillside, NJ, and various locations in the Bronx, NY.

Of the 90 vehicles recovered, 23 were recovered at ports used by the ring, including Port Newark, Port Elizabeth, Global Terminal in Bayonne, and the Howland Hook Seaport in Staten Island, NY. Investigators believe that additional vehicles were being moved by this criminal enterprise, beyond those recovered in the investigation. The ring operated in Rockland County, NY, and multiple counties in New Jersey, including Morris, Bergen, Essex, Union, Hudson, and Monmouth. All 21 of the defendants who were charged are charged with first-degree racketeering, first-degree money laundering, and second- or third-degree receiving stolen property and fencing. The investigation revealed that a number of individuals exercised leadership roles in the criminal enterprise, and certain defendants associated more closely with particular leaders or individuals

within the larger enterprise. Three men, Tyja Evans of Watchung, NJ, Ibn Jones of Newark, NJ, and Eddie Craig of Beverly, NJ were charged as leaders of the enterprise. In addition to the other charges, they were charged with the second-degree crime of leader of an auto theft trafficking network.



Tyja Evans

Ibn Jones

Eddie Craig

November 2, 2015 – Brooklyn Longshoreman Removed from Waterfront for Theft and Fraud.

The Commission unanimously ordered the revocation of the longshoreman’s registration of Richard Orland, who worked at Red Hook Container Terminal in Brooklyn. After a hearing, an Administrative Law Judge found that Orland, while registered as a longshoreman, stole property from Home Depot. He then failed to report the resulting arrest to the Commission. In addition to the theft, the ALJ found that Orland committed fraud, deceit, or misrepresentation in order to secure inclusion on the longshore workers’ register. Orland had been referred by the International Longshoremen’s Association for employment pursuant to Determination 36. On paperwork that he filed with the Commission, Orland indicated that he had never been disciplined by any previous employers and that he left a job as a computer technician in order to secure full-time employment. In truth, Orland had been employed full-time, and was terminated for cause. The Commission agreed with the ALJ findings that Orland’s theft rendered his presence at the piers or other waterfront terminals a danger to the public peace or safety. The Commission also found that his fraud, deceit, or misrepresentation and failure to report his arrest warranted his removal from the waterfront.



December 2, 2015 – Two DeCavalcante Associates Plead Guilty to Cocaine Distribution.

Two associates of the DeCavalcante organized crime family admitted their roles in distributing more than 500 grams of cocaine. John “Johnny Balls” Capozzi of Union, NJ and Mario Galli of Toms River, NJ each pleaded guilty before U.S. District Judge William H. Walls to distribution of more than 500 grams of cocaine. Capozzi and Galli were arrested and charged in March 2015, along with eight members of the DeCavalcante crime family. They both admitted that between December 2014 and March 2015, in conjunction with other family associates, they sold more than one-half a kilo of cocaine to an undercover FBI agent for at least \$78,000.



John Capozzi

Mario Galli



December 15, 2015 – Decavalcante Associate Pleads Guilty to Cocaine Distribution.

DeCavalcante crime family associate James Heeney of Elizabeth NJ, admitted his role in distributing more than 500 grams of cocaine. Heeney pleaded guilty before U.S. District Judge William H. Walls to conspiring to distribute more than 500 grams of cocaine. Heeney was arrested and charged in March 2015, along with eight members of the DeCavalcante crime family. He admitted that between August 2012 and March 2013, in conjunction with other family associates, he sold more than one-half a kilo of cocaine to an undercover agent for at least \$30,000.

December 19, 2015 – New York Drug Bust Nets 136 Pounds of Cocaine Worth an Estimated \$3 Million.

Two men were arrested and nearly \$3 million worth of cocaine was seized in New York City in what was described as the biggest bust involving the drug in recent years. The investigation involved the U.S. Drug Enforcement Administration's New York Division, the Waterfront Commission and the U.S. Coast Guard Investigative Service. Mark Soto and Xavier Herbert-Gumbs face felony drug possession charges after they were found with 136 pounds of cocaine in their vehicles in the Bronx. The men had transported the drugs from Massachusetts as part of a major narcotics trafficking network. The men were charged with four counts each of criminal possession of a controlled substance in the first and third degrees.

March 15, 2016 – Commission Revokes License of Mechanic for Heroin Possession and Attempt to Elude Police.

The Commission unanimously ordered the denial of the application and revocation of the temporary registration of mechanic Justin O. Clancy. Clancy, an employee of Cargotec Crane & Electric Services Inc. worked at Maher Terminals, LLC on its straddle carrier refurbishment project. After a hearing, an Administrative Law Judge found that Clancy, while registered as a longshoreman, endeavored to elude police in Elmwood Park, NJ and when apprehended was found to be in possession of 12 glassine envelopes of heroin. He then failed to report the resulting arrest to the Commission. The Commission agreed with the ALJ's findings, and found that Clancy's efforts to elude police and his possession of heroin rendered his presence at the piers or other waterfront terminals in the Port a danger to the public peace or safety. The Commission also found that his failure to report his arrest also warranted his removal from the waterfront.



March 29, 2016 – Checker Suspended after Two Arrests for Heroin Possession. Checker Ryan Conley of Basking Ridge, NJ was suspended by the Commission and a notice of hearing was issued after he was arrested twice in Passaic County, NJ for Possession of Heroin. Conley was arrested on January 12, 2016 for possession of 5 glassines of heroin during surveillance of narcotics trafficking. On February 4, 2016, Conley was arrested after a car stop and found in possession of 104 bags of heroin. Both arrests were for third degree offenses.

April 5, 2016 – Eight Indicted, Including Professional Poker Player, for Operating Multi-Million Dollar Illegal Sports Betting Ring. Eight individuals – including professional poker player Jay “Ghost” Sharon – were indicted on charges of operating a highly sophisticated illegal sports gambling enterprise located in Queens County and elsewhere that utilized gambling websites and toll-free numbers. The enterprise is alleged to have annually booked more than \$3.5 million in bets and operated in New York and Las Vegas. The defendants were variously charged in an 85-count indictment with enterprise corruption, which is a violation of New York State's Organized Crime Control Act, as well as money laundering, promoting gambling and conspiracy.

The investigation leading to the arrests began in December 2014 when the NYPD's Organized Crime Investigation Division and the Waterfront Commission, in conjunction with the Organized Crime and Rackets Bureau of the Queens County District Attorney's Office, developed information about a betting ring operating in Queens County and elsewhere. The investigation included physical surveillance, intelligence information and court-authorized electronic eavesdropping that intercepted thousands of hours of allegedly incriminating conversations. Jay Sharon was identified as the alleged boss of the gambling operation, and is accused of acting as the bookmaker who controlled and oversaw the entire operation and profited from each criminal pursuit by the other defendants. Jonathan “Boss” Cianciotto and Joshua Handler are alleged to have been Sharon's master-agents who managed the agents and collected the winnings from the agents. Emilio “Smoke” Testa, Christopher “Cream” Hansen and Frank “Magoo” Nista are alleged to have been agents of the enterprise and Vincent Zaccario and Gary “Weezy” Schreiber are alleged to have been sub-agents.

The defendants allegedly conspired to make money illegally through the operation of unlawful gambling that accepted bets on sporting events through wire rooms located either offshore or in places where gambling on sports is legal. Bettors would place wagers by logging onto an Internet website or calling a toll-free number. Sharon, the bookmaker of the enterprise,

allegedly decided on wager limits, approved new accounts and all money collected eventually funneled up to him. Sharon allegedly met with his master-agents, Cianciotto and Handler, on a regular basis, to either receive money for the bettors' losses or to pay out money ("settle up") for the bettors' winnings. Testa, Nista and Hansen's alleged role in the enterprise was as agents whose job was to build a clientele of bettors who would regularly bet with the enterprise and who shared in the profits of their players' losses each week or settled up with the bettors. It is alleged that the agents basically operated by placing bets with the wire room and facilitating the online betting by their clients on the illegal gambling website by using pre-arranged codes and passwords. Zaccario and Schreiber allegedly worked as sub-agents who, having clientele of their own, reported and paid money to an agent. Finally, it is alleged that Sharon, Cianciotto, Hansen and Testa knowingly laundered money by transporting large sums of money in Queens and elsewhere in New York to pay and collect on gambling wagers.

In addition to the arrests, court-authorized search warrants were executed at ten locations in Queens and Nassau Counties. Gambling records and gambling paraphernalia and more than \$ 93,000 in cash was seized by the NYPD and the Waterfront Commission.



Jay Sharon Jonathan Cianciotto Joshua Handler Emilio Testa Christopher Hansen Frank Nista Vincent Zaccario Gary Schreiber



April 26, 2016 – Dock Worker Suspended after Arrest for Witness Tampering and Other Crimes.

Courtney Wallace, a longshore worker from Irvington, NJ, was arrested by detectives from the Union County Prosecutor's Office and the Waterfront Commission, and was charged with witness tampering, providing false information to law enforcement and false swearing. Witness tampering is a third degree offense for which the maximum sentence is a five years imprisonment. The charges against Wallace stem from false criminal allegations she made last year against another longshoreman that resulted in the arrest of that longshoreman. In a search incident to arrest, a bottle of urine was recovered from Wallace, who stated that the urine came from her son and that she carried the clean urine around with her in case she was ever drug tested in connection with her job at the Port. The Commission temporarily suspended Wallace's registration pending the outcome of an administrative hearing on the charges.

April 27, 2016 – Racketeering Indictment Unsealed Charging Ten Alleged Members and Associates of Genovese Crime Family with Reaping Millions of Dollars Through Loansharking, Illegal Check Cashing, Gambling and Money Laundering in the Port District.



Following their arrests last year, ten members and associates of the New York-based Genovese organized crime family were indicted on charges including first-degree racketeering for allegedly reaping millions of dollars in New Jersey through illegal loansharking, unlicensed check cashing, gambling and money laundering, including laundering of drug proceeds. Another defendant was charged in connection with the laundering of drug money, and the wives of three of the defendants were charged with tax fraud, bringing the total to 14 defendants. As previously reported last year, the charges stem from “Operation Fistful,” a joint investigation by the New Jersey Attorney General’s Office - Division of Criminal Justice and the Waterfront Commission, conducted with assistance from the New York and Queens County District Attorneys’ Offices and other law enforcement agencies.

Much of the illicit revenue allegedly was collected and laundered through licensed and unlicensed check-cashing businesses in Newark run by alleged Genovese associate Domenick Pucillo of Florham Park, NJ. Pucillo and the other associates are alleged to be part of a New Jersey crew operating under the supervision and control of two alleged “made” members of the Genovese crime family – Genovese capo Charles “Chuckie” Tuzzo of Bayside, NY, and Genovese soldier Vito Alberti of Morristown, NJ – who answer to the Genovese hierarchy in New York. The defendants were charged, in varying combinations, with running the following criminal schemes, which generated “tribute” payments up the Genovese chain of command:

1. A massive **loansharking** operation that yielded about \$4.7 million in illegal interest;
2. An illicit multi-million dollar offshore **sports gambling enterprise**;
3. An **unlicensed check-cashing** business that made \$9 million in fees in four years, while enabling customers to launder funds and evade taxes by skirting federal reporting requirements;
4. Laundering of \$666,000 in **drug money** via check-cashing businesses owned by Pucillo in Newark and Florida;
5. illegal control and use of a **trucking firm** with a contract to transport cars from Port Newark;
6. **Tax fraud and evasion.**

Loansharking

Pucillo allegedly used his check-cashing businesses for a massive loansharking operation. He ran several businesses, but the main one was Tri-State Check Cashing, Inc., with headquarters at 17 Avenue A in Newark. He allegedly used cash and credit lines extended to his business to loan money “on the street” at usurious rates. He made loans at one to three “points.” A point equals 1% interest, due weekly, so one point equates to 52% annual interest, two points to 104% annual interest, and three points to 156% annual interest. New Jersey law defines criminal usury as loaning money to an individual at an annual interest rate exceeding 30%, and makes it a second-degree crime if the rate exceeds 50% per year.

It is alleged that Genovese associate Robert “Bobby Spags” Spagnola of Morganville, NJ, partnered with Pucillo in the loansharking business and received a commission of one point on each loan he secured for Pucillo. In addition, Pucillo allegedly shared the loansharking proceeds up the Genovese chain of command to Alberti and Tuzzo. Alberti, at times, allegedly engaged directly in loansharking with Pucillo, with Alberti receiving two points on those loans and Pucillo, one point. From October 2007 through June 2013, the defendants collected approximately \$4.7 million in interest. Victims were required to pay interest on a weekly basis. The scheme was designed so that, when the victims made loan payments by check, it appeared that they were cashing checks in the ordinary course of Pucillo’s check-cashing business. When they took out loans, victims were required to sign partially completed checks, which Pucillo and his co-defendants could complete and cash through the check-cashing business to collect weekly interest or payments of principal. Victims also could pay in cash. Defendant Flor Miranda of Newark, worked as office manager for Pucillo’s check-cashing operation. She allegedly collected loansharking payments and helped Pucillo keep extensive records of the loansharking and money laundering operations run out of his check-cashing businesses.

Sports Gambling

Vincent P. Coppola of Union, N.J., son of imprisoned Genovese capo Michael Coppola, allegedly was part of a network of Genovese associates who ran a multi-million dollar illegal sports gambling enterprise in New Jersey that utilized an off-shore “wire room” in Costa Rica to process bets. Coppola allegedly was an “agent” who managed sub-agents or package holders, each of whom had a “package” of bettors under him. He allegedly supervised sub-agents John W. Trainor, of Brick NJ, and Jerry J. Albanese of Scotch Plains, NJ. Agents decide which bettors can open accounts and gamble using the enterprise’s website and toll-free phone number. They also dictate how much a bettor can gamble per game and per week, and monitor the action and balances of the packages they oversee. Eventually, Coppola allegedly gave Trainor and Albanese more complete control of the bettors in their packages. Coppola allegedly had four packages under him, including those of Trainor and Albanese. In a single year, in 2011, Coppola’s packages allegedly handled more than \$1.7 million in bets, and Coppola, Trainor, Albanese and the Genovese crime family – through Alberti and Tuzzo – allegedly made more than \$400,000 in profits.

Unlicensed Check-Cashing Business

In addition to Tri-State Check Cashing and his other licensed check-cashing businesses, Pucillo allegedly financed an unlicensed, illegal check-cashing operation with partners and Genovese associates Abel J. Rodrigues of Bridgewater, NJ, and Manuel Rodriguez of Chatham,

NJ. This scheme operated out of Portucale Restaurant & Bar at 129 Elm Street in Newark, also known as Viriato Corp. – which is owned by Abel Rodrigues – under the guise that Rodrigues was legally allowed to cash checks as Pucillo’s agent. In reality, this arrangement is illegal, and the defendants allegedly used it to enable clients to launder money and evade taxes. It is alleged that over a four-year period they illegally cashed over \$400 million in checks through Portucale Restaurant and collected over \$9 million in fees.

Many customers cashed checks at Portucale Restaurant to launder money, hide income or obtain cash for “under-the-table” payrolls because Abel Rodrigues allegedly did not ask for any identification and would not file proper “currency transaction reports,” or CTRs, for any check or combination of checks exceeding \$10,000, as required by federal law. Tri-State Check Cashing provided the cash disbursed at Portucale Restaurant, but instead of processing and reporting the individual checks that were cashed, Tri-State would receive checks from Viriato Corp. for sums in the hundreds of thousands of dollars, which bundled together the amounts of the checks cashed at Portucale Restaurant. Tri-State would then file CTRs only for the checks from Viriato Corp. As previously reported last year, Jennifer Mann of Bayonne, NJ was employed by Pucillo as the compliance officer for Tri-State. She allegedly issued hundreds of false CTRs at Pucillo’s direction to conceal tax evasion and money laundering at Portucale Restaurant. She pleaded guilty on June 12, 2015 to third-degree forgery.

In return for cashing checks for over \$10,000 without scrutiny, customers paid fees of up to 3% percent per check, which exceeds the limit of 2.21% permitted under New Jersey law. Abel Rodrigues allegedly received 1% on each check, and the remainder went to Pucillo. It is alleged that Pucillo in turn provided one-quarter of his fees to Manuel Rodriguez, who shared a portion of his fees up the chain to Alberti, Tuzzo and the Genovese crime family.

Drug Money

In January 2012, Pucillo acquired a check-cashing business in Hialeah, Florida, called I&T Financial Services. It is alleged that he subsequently entered into an agreement to launder and transfer drug money from New York and New Jersey to Florida. Miguel Jose Varela Lopez, 39, of Miami, Fla., allegedly would deliver cash to Flor Miranda at Tri-State Check Cashing in Newark on behalf of the drug traffickers. The money then was wired under the fictitious company name “Gold Shiny” to Florida, where it was laundered through I&T Financial’s business accounts and was received by the client, whose identity remained concealed. Pucillo, Miranda and Varela Lopez allegedly laundered and transferred \$666,000 in this manner, collecting \$22,580 in fees on the transactions.

Trucking Company

It is alleged that the Genovese crime family, through members and associates including Tuzzo, Alberti, Pucillo and Trainor, illicitly took control of a company called GTS Auto Carriers, siphoned money from it, and used it to commit other crimes including check forgery and tax evasion. Trainor owned and operated GTS, which transported cars from Port Newark to dealerships throughout New Jersey under a lucrative contract with Nissan. After Trainor obtained the contract, Alberti required GTS to lease trucks to transport the cars from Alberti for over \$300,000 per year. Alberti created a company called AMJ Transport solely to lease trucks to GTS. Alberti also allegedly required GTS to carry Coppola and another Genovese crime family associate on the GTS payroll even though neither actually worked for GTS. In addition, Trainor allegedly had checks issued from a GTS business account to fictitious persons to conceal the fact that he

was siphoning money from GTS for his personal use and to pay Alberti and other Genovese crime family members and associates. In five months, Trainor allegedly cashed GTS checks totaling over \$100,000 at Pucillo's check-cashing business, including several on which Trainor forged the signature of the person authorized to sign checks for the GTS account.

Tax Fraud and Evasion

It is alleged that, in conducting their criminal schemes, Alberti, Trainor, Spagnola, Coppola, Rodriguez and Rodrigues – through Pucillo's check-cashing businesses and other means – concealed their income and either failed to file tax returns or filed fraudulent tax returns which did not account for their criminal earnings. Alberti's wife, Suzanne Scatturo, 57, of Morristown, N.J., Spagnola's wife, Debra Spagnola, 60, of Morganville, N.J., and Trainor's wife, Lisa Trainor, 44, of Brick, N.J., were each charged with tax fraud and failure to pay tax. The first eight defendants were arrested in October 2014 and initially held on \$400,000 bail each. This year, these 14 defendants were indicted, as set forth below:

- Charles "Chuckie" Tuzzo. Racketeering (1st degree), Money Laundering (3 counts, 1st degree), Conspiracy (1st degree), Criminal Usury (2nd degree), Business of Usurious Loans (2nd degree), Operating an Unlicensed Check-Cashing Facility (3rd degree) and Promoting Gambling (3rd degree).
- Vito Alberti. Racketeering (1st degree), Money Laundering (3 counts, 1st degree), Conspiracy (1st degree), Criminal Usury (2nd degree), Business of Usurious Loans (2nd degree), Operating an Unlicensed Check-Cashing Facility (3rd degree), Promoting Gambling (3rd degree), Filing a Fraudulent Tax Return (3rd degree) and Failure to Pay Gross Income Tax (3rd degree).
- Domenick Pucillo. Racketeering (1st degree), Money Laundering (3 counts, 1st degree), Conspiracy (2, counts, 1st degree), Criminal Usury (2nd degree), Business of Usurious Loans (2nd degree), Possession of Usurious Loan Records (3rd degree), Operating an Unlicensed Check-Cashing Facility (3rd degree), Filing Fraudulent Tax Return (3rd degree) and Failure to Pay Gross Income Tax (3rd degree).
- Robert "Bobby Spags" Spagnola. Racketeering (1st degree), Money Laundering (1st degree), Conspiracy (1st degree), Criminal Usury (2nd degree), Business of Usurious Loans (2nd degree), Filing a Fraudulent Tax Return (3rd degree), Failure to Pay Gross Income Tax (3rd degree) and Failure to File Tax Return (3rd degree).
- Manuel Rodriguez. Racketeering (1st degree), Money Laundering (1st degree), Conspiracy (1st degree), Operating an Unlicensed Check-Cashing Facility (3rd degree), Filing a Fraudulent Tax Return (3rd degree), Failure to File Tax Return (3rd degree) and Failure to Pay Gross Income Tax (3rd degree).
- Vincent P. Coppola. Racketeering (1st degree), Money Laundering (1st degree), Conspiracy (1st degree), Promoting Gambling (3rd degree), Possession of Gambling Records (3rd degree), Failure to File Tax Return (3rd degree) and Failure to Pay Gross Income Tax (3rd degree).

- John W. Trainor. Racketeering (1st degree), Money Laundering (1st degree), Conspiracy (1st degree), Promoting Gambling (3rd degree), Possession of Gambling Records (3rd degree), Forgery (3rd degree), Failure to File a Tax Return (3rd degree) and Failure to Pay Gross Income Tax (3rd degree).
- Abel J. Rodrigues. Racketeering (1st degree), Money Laundering (1st degree), Conspiracy (1st degree), Operating an Unlicensed Check-Cashing Facility (3rd degree), Filing a Fraudulent Tax Return (3rd degree) and Failure to Pay Gross Income Tax (3rd degree).
- Jerry J. Albanese. Racketeering (1st degree), Money Laundering (1st degree), Conspiracy (1st degree), Promoting Gambling (3rd degree) and Possession of Gambling Records (3rd degree).
- Flor Miranda. Racketeering (1st degree), Money Laundering (3 counts, 1st degree), Conspiracy (2 counts, 1st degree), Criminal Usury (2nd degree), Business of Usurious Loans (2nd degree), Possession of Usurious Loan Records (3rd degree).
- Miguel Jose Varela Lopez. Money Laundering (1st degree) and Conspiracy (1st degree).
- Suzanne Scatturo. Filing a Fraudulent Tax Return (3rd degree) and Failure to Pay Gross Income Tax (3rd degree).
- Debra Spagnola. Filing a Fraudulent Tax Return (3rd degree) and Failure to Pay Gross Income Tax (3rd degree).
- Lisa Trainor. Filing a Fraudulent Tax Return (3rd degree) and Failure to Pay Gross Income Tax (3rd degree).

June 1, 2016: Port Worker Surrenders Registration. The Commission accepted the surrender of registration with prejudice of longshore worker Katherine Powell of Easton, PA. Powell's surrender of registration was part of a plea agreement with the Essex County Prosecutor's Office, following her indictment for the crimes of Aggravated Arson, Insurance Fraud and Attempted Theft by Deception. Powell is now barred from working as a longshore worker in the Port of New York-New Jersey.

June 1, 2016 – Commission Revokes Registration of PNCT General Foreman After Conviction for Extortion Conspiracy. The Commission unanimously ordered the revocation of the registration of longshoreman Michael Nicolosi of Staten Island, New York. Nicolosi was employed by Ports America, Inc. at the Port Newark Auto Terminal. Nicolosi's registration had been suspended in 2011 following his arrest and indictment for his participation in the Genovese Family's thirty year extortion of ILA Members Container Royalty or "Christmas" bonus check. In 2014, Nicolosi pled guilty to Conspiracy to Commit Extortion, admitting his participation in Extortion of his fellow longshoremen. Following the service of his federal prison term, the Commission proceeded with an administrative hearing to revoke his registration based upon his felony conviction. After a hearing, the Administrative Law Judge recommended the revocation of his registration, concluding that all the charges contained on the Notice of Hearing had been substantiated.

