



3. At all times relevant to this Indictment:

a. SANDY ANNABI, the defendant, as a Councilwoman for the Second District of the City of Yonkers, was an agent of a State or local government, and any agency thereof, as that term is used in Section 666(a)(1) of Title 18, United States Code.

b. The City of Yonkers received federal aid from the United States government, including but not limited to, in a one-year period, benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of federal assistance, as set forth in Section 666(b) of Title 18, United States Code.

4. From in or about fall 2003 through in or about fall 2007, ZEHY JEREIS, the defendant, was the Chairman of the Yonkers Republican Party. As the Party Chairman, JEREIS's duties were to promote the Republican Party in Yonkers and to advance the interests of Republican elected officials and candidates.

5. At times relevant to this Indictment, co-conspirator Anthony Mangone was an attorney engaged in the practice of law, whose office was located in Hawthorne, New York.

#### The Conspiracy

6. From in or about 2002 through in or about December 2009, in the Southern District of New York and elsewhere, SANDY ANNABI and ZEHY JEREIS, the defendants, together with co-conspirator Anthony Mangone and others known and unknown to the grand jury, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to

commit offenses against the United States, to wit, giving and receiving corrupt payments in violation of Title 18, United States Code, Sections 666(a)(1)(B) and 666(a)(2).

7. It was a part and an object of the conspiracy that ZEHY JEREIS, the defendant, and later Anthony Mangone and others known and unknown to the grand jury, would and did corruptly give, offer, and agree to give something of value to a person, with intent to influence and reward an agent of a state and local government and any agency thereof, in connection with a business, transaction, and series of transactions of such government and agency involving something of value of \$5,000 and more, said government and agency receiving, in a one-year period, benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance and other form of Federal assistance, to wit, JEREIS and others known and unknown to the grand jury, would and did offer, agree to give, and gave, money and a stream of financial benefits, directly and indirectly, to SANDY ANNABI, the defendant, during the time that she was a Councilwoman for the Second District of the City of Yonkers, with the intent to influence and reward ANNABI for official action or inaction that ANNABI took, and agreed to take in the future, in her capacity as Councilwoman for the Second District of the City of Yonkers, as specific opportunities arose, in violation of Title 18, United States Code, Section 666(a)(2).

8. It was a further part and an object of the conspiracy that SANDY ANNABI and ZEHY JEREIS, the defendants,

Anthony Mangone, and others known and unknown to the grand jury, during the time when ANNABI was an agent of a state government and local government and any agency thereof, would and did corruptly solicit and demand for the benefit of a person, and accept and agree to accept, something of value from a person, intending to be influenced and rewarded in connection with a business, transaction, and series of transactions of such government and agency, involving something of value of \$5,000 and more, said government and agency receiving, in a one-year period, benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of Federal assistance, to wit, ANNABI would and did solicit, accept, and agree to accept, money and a stream of financial benefits, directly and indirectly, from JEREIS and others known and unknown to the grand jury, intending to be influenced and rewarded for official action or inaction that ANNABI took, and agreed to take in the future, in her capacity as Councilwoman for the Second District of the City of Yonkers, as specific opportunities arose, in violation of Title 18, United States Code, Section 666(a)(1)(B).

Means And Methods Of The Conspiracy

9. To achieve the unlawful objects of the conspiracy, SANDY ANNABI and ZEHY JEREIS, the defendants, and Anthony Mangone used the following means and methods:

Corrupt Payments And Benefits To ANNABI From  
JEREIS, Mangone, And Others

10. As the Chairman of the Yonkers Republican Party, ZEHY JEREIS, the defendant, used his considerable influence and contacts to assist SANDY ANNABI, the defendant, in getting elected to the Yonkers City Council in 2001 and then reelected in 2003 and 2005.

11. Beginning in or about early to mid-2004, ZEHY JEREIS, the defendant, secretly gave SANDY ANNABI, the defendant, money and purported loans she used to finance the purchase of two residential properties located within the City of Yonkers but outside of ANNABI's Council District. ANNABI was required by state and local law to live within her Council District. Accordingly, she concealed the fact that she lived in one of the houses that JEREIS helped her finance, which was located outside of her Council District.

12. Because SANDY ANNABI, the defendant, could not legally qualify to maintain her position as a Councilwoman in the City of Yonkers if she lived outside of her Council District, ZEHY JEREIS, the defendant, secretly funded ANNABI's purchase of a cooperative apartment located within the Second Council District. JEREIS paid for the purchase of the apartment for the benefit of ANNABI, and he paid for expenses to maintain the apartment, including the monthly mortgage, maintenance fee, cable, and electric bills. In addition, (1) JEREIS made payments toward ANNABI's lease of a Mercedes Benz, her student loan and

her purchases of real estate, and (2) Mangone and JEREIS gave ANNABI approximately \$20,000 in cash. Specifically, during the period 2002 through 2008, ANNABI received at least the following concealed financial benefits from JEREIS and/or Mangone:

Date	Benefit	Amount
May 5, 2004	JEREIS check to ANNABI; money used for down payment on purchase of [REDACTED] Patton Drive, Yonkers, New York	\$50,000
June 8, 2004	JEREIS check to ANNABI; money used for down payment on purchase of [REDACTED] Bacon Place, Yonkers, New York	\$10,000
November 30, 2004	JEREIS check to ANNABI; money used for down payment on purchase of co-op apartment at [REDACTED] Rumsey Road, Yonkers, New York	\$7,200
February 10 and 14, 2005	JEREIS made 2 payments to a real estate attorney on ANNABI's behalf for her closing on [REDACTED] Rumsey Road, Yonkers, New York	\$11,500
September 27, December 8, 2005	JEREIS made 2 payments to Ray Catena Mercedes on ANNABI's behalf	\$10,000
August 2002 - December 2004	JEREIS made 27 payments for ANNABI car loan	\$7,946.12

Date	Benefit	Amount
January 2002 - January 2006	JEREIS made 44 payments for ANNABI's student loan	\$16,578.14
April 2005 - August 2008	JEREIS made 36 payments for ANNABI's mortgage at [REDACTED] Rumsey Road, Yonkers, New York	\$14,627.62
April 2005 - August 2008	JEREIS made 39 payments for ANNABI's monthly maintenance charge at [REDACTED] Rumsey Road, Yonkers, New York	\$20,199.73
September 2005- August 2008	JEREIS made 31 payments for ANNABI's Cablevision service at [REDACTED] Rumsey Road, Yonkers, New York	\$4,879.95
January 2006 - August 2008	JEREIS made 28 payments for ANNABI's Con Edison service at [REDACTED] Rumsey Road, Yonkers, NY	\$1,173.02
June 2006	Mangone and JEREIS gave cash to ANNABI	\$20,000
<b>TOTAL =</b>		<b>\$174,104.58</b>

13. The payments described in paragraph twelve were made to influence and reward SANDY ANNABI, the defendant, for taking and agreeing to take favorable official action as specific opportunities arose. Among others, ANNABI took the below-described favorable official actions while she was receiving this stream of financial benefits from her co-conspirators.

The Longfellow Project

14. Starting in or about 2003, a developer (hereafter "Developer No. 1") proposed to develop a tract of land located within the City of Yonkers and partially within the City Council District represented by SANDY ANNABI, the defendant. Developer No. 1 proposed to renovate two vacant and dilapidated schools owned by the City and to transform the structures into market-rate housing (hereafter "the Longfellow Project").

15. For the Longfellow Project to proceed, the City of Yonkers needed to transfer properties that were located partially within defendant SANDY ANNABI's Council District to Developer No. 1. In exchange for the City's agreement to transfer the properties, Developer No. 1 agreed to transfer land it owned located near the Longfellow Project to the City of Yonkers.

16. SANDY ANNABI, the defendant, initially opposed the Longfellow Project. During a City Council meeting on or about June 14, 2005, ANNABI proclaimed her strong opposition to the project stating that: "[e]ven if the entire community supported [it], I would be opposed...." and that the project was "outrageous" and a "slap in the face to the taxpayers of Yonkers..." Despite considerable effort, Developer No. 1 was unable to move the project forward in the face of ANNABI's opposition.

17. In or about April 2006, Developer No. 1 hired Anthony Mangone to assist it in persuading SANDY ANNABI, the defendant, to support the Longfellow Project.

18. Shortly thereafter, in or about late April or May 2006, Anthony Mangone arranged a meeting between a representative of Developer No. 1 and ZEHY JEREIS, the defendant, at Mangone's Hawthorne, New York law office. During the meeting, Mangone and the representative of Developer No. 1 explained to JEREIS that the Longfellow Project could not proceed because it was located, in part, in defendant SANDY ANNABI's Council District and she opposed the project. JEREIS advised the representative of Developer No. 1 that JEREIS could assist Developer No. 1 by persuading ANNABI to support the project.

19. In or about June 2006, Anthony Mangone told Developer No. 1, in substance and in part, that in order for the project to proceed, Developer No. 1 would have to pay SANDY ANNABI, the defendant, in exchange for her support of the project. Mangone directed Developer No. 1 to give Mangone the money, in cash, and indicated that Mangone would arrange to get the money to ANNABI. Mangone further advised Developer No. 1, in substance and in part, that ANNABI would be happy to get the money since she could use the money for an upcoming trip she was taking.

20. In or about the summer of 2006, having invested significant time and money into the Longfellow Project, Developer No. 1 agreed to Anthony Mangone's demand and a representative of Developer No. 1 brought Mangone approximately \$40,000 in cash to pay SANDY ANNABI, the defendant, and to pay Mangone's legal fees.

Mangone subsequently gave \$20,000 in cash to ZEHY JEREIS, the defendant, to give to ANNABI.

21. On or about July 10, 2006, Anthony Mangone sent an e-mail to a representative of Developer No. 1 advising Developer No. 1 that the City Council would approve the Longfellow Project but that SANDY ANNABI, the defendant, would ask for certain conditions, including having an appraisal done of a property involved in the Longfellow Project for "her [ANNABI's] own selfish political gain" so that "she has cover."

22. On or about July 20, 2006, defendant SANDY ANNABI's administrative assistant sent an e-mail to ANNABI that ANNABI received while on a trip to Jordan asking whether the "new and changed" Longfellow legislation should be put on the agenda for the August 15, 2006 Council meeting. On or about July 25, 2006, ANNABI responded by e-mail directing her administrative assistant not to put the legislation on the agenda because she was planning on extending her trip in Jordan and might not be returning by August 15. ANNABI further instructed her assistant to call "Z" [ZEHY JEREIS, the defendant] and let him know that the Longfellow legislation had to be revised.

23. Around the time that Developer No. 1 gave the cash to SANDY ANNABI, the defendant, through Anthony Mangone and ZEHY JEREIS, the defendant, ANNABI made several substantial cash and credit card purchases. On or about June 26, 2006, ANNABI's previously purchased airline ticket to Jordan was upgraded to business class seat 1A (the flight had no first class section)

using a cash payment of \$3,864.20. Shortly before that, ANNABI's previous purchase of her coach class ticket to Jordan was refunded to her credit card for \$1,297.20.

24. In or about late June or early July 2006, SANDY ANNABI, the defendant, went to a jewelry store in Westchester County and special ordered a woman's Rolex watch with a mother of pearl diamond bezel dial. ANNABI picked up the watch from the jeweler after her return from Jordan and paid \$3,847.31 in cash.

25. On or about August 22, 2006, SANDY ANNABI, the defendant, went to the same jeweler and purchased an 18-karat white gold diamond cross necklace for \$3,251.25, which she charged on her credit card.

26. In or about September 2006, at a City Council meeting, SANDY ANNABI, the defendant, reversed her long-held opposition to the Longfellow Project and voted in favor of making Developer No. 1 the designated developer of the Longfellow Project. Obtaining designated developer status was the first in a series of favorable actions Developer No. 1 needed from the Yonkers City Council and the City of Yonkers for the Longfellow Project to proceed.

#### The Ridge Hill Development Project

27. A large developer (hereafter "Developer No. 2") proposed the development of an approximately 81-acre tract of land located within the Ridge Hill section of the City of Yonkers known as "the Ridge Hill Village Center" (hereafter "the Ridge Hill Project"). The Ridge Hill Project proposed to establish

retail shopping, restaurants, office space, hundreds of residential housing units, and a hotel and conference center. SANDY ANNABI, the defendant, was an outspoken critic of the proposed Ridge Hill Project.

28. For the proposed Ridge Hill Project to proceed, Developer No. 2 needed to persuade the Yonkers City Council to change the local zoning law to allow for mixed-use development on the proposed Ridge Hill Development site. Local law also provided that before any such change in the local zoning law could be made, the proposal had to be favorably reviewed by the Westchester County Planning Board. On or about July 7, 2005, the Westchester County Planning Board recommended against the proposed zoning change for the Ridge Hill Project.

29. At the time when the Westchester County Planning Board issued its negative recommendation, Yonkers law provided that the County's negative recommendation could only be overridden by a "super majority" vote of the Yonkers City Council, i.e., a majority plus one, or at least five of the seven City Council members. In the summer of 2005, when the Westchester County Planning Board issued its negative recommendation, only four of the seven Yonkers City Council members supported the project. Developer No. 2 and supporters of the Ridge Hill Project needed one more Council member to back the project for it to move forward.

30. On or about November 22, 2005, in order to circumvent the super majority requirement, the Yonkers City

Council voted 4-3 to amend the Yonkers City Zoning Code to permit the City Council to approve a zoning change, in the face of a negative recommendation by the Westchester County Planning Board, with a majority rather than a super majority of votes, i.e., with four as opposed to five votes. Three Council members, including SANDY ANNABI, the defendant, voted against this legislation.

31. On or about November 23, 2005, SANDY ANNABI, the defendant, along with the two other dissenting Council members and others, filed a lawsuit seeking to block and overturn the City Council's amendment to the zoning laws that permitted the approval of the project by a mere majority vote. ANNABI was designated as the lead plaintiff in the civil action.

32. On or about December 9, 2005, the Yonkers City Council voted to approve the zoning change for the Ridge Hill Project by a 4-3 vote despite defendant SANDY ANNABI's continuing opposition and pending lawsuit. Consistent with her historic opposition to the project, ANNABI voted against the project.

33. On or about May 2, 2006, a New York State Supreme Court Judge who was presiding over defendant SANDY ANNABI's lawsuit ruled in ANNABI's favor and held that the Council's vote to change the City of Yonkers Zoning Code was illegal and thus null and void. The court ruling effectively reinstated the super majority requirement that the zoning change for the Ridge Hill Project be approved by at least five votes.

34. Developer No. 2 had made repeated unsuccessful behind-the-scenes efforts to convince SANDY ANNABI, the

defendant, to vote in favor of the Ridge Hill Project. ANNABI repeatedly rejected efforts by Developer No. 2 to address any concerns that she had about the project and rebuffed efforts by Developer No. 2 or its lobbyists to persuade her.

35. On or about June 2, 2006, ZEHY JEREIS, the defendant, was introduced to representatives of Developer No. 2 at a lunch meeting in a Brooklyn restaurant. During this meeting and shortly afterward, JEREIS told representatives of Developer No. 2, in substance and in part, that he could arrange a meeting among representatives of Developer No. 2, SANDY ANNABI, the defendant, and JEREIS to discuss whether ANNABI would support the Ridge Hill Project.

36. A week later, on or about June 9, 2006, SANDY ANNABI and ZEHY JEREIS, the defendants, met with representatives of Developer No. 2 at a restaurant. At or near the end of that meeting, JEREIS asked one of Developer No. 2's representatives for a consulting job.

37. Just five days later, on or about June 14, 2006, after a second meeting among ZEHY JEREIS and SANDY ANNABI, the defendants, and Developer No. 2's representatives, ANNABI reversed her opposition to the Ridge Hill Project and agreed to support it.

38. The next day, on or about June 15, 2006, SANDY ANNABI, the defendant, issued a press release -- actually drafted by representatives of Developer No. 2 and ZEHY JEREIS, the

defendant -- informing the public that she was now going to support the Ridge Hill Project.

39. During the time period that ZEHY JEREIS, the defendant, was assisting Developer No. 2 in securing defendant SANDY ANNABI's support for the Ridge Hill Project, JEREIS repeatedly asked Developer No. 2 to give him a consulting job. By on or about June 28, 2006, JEREIS and Developer No. 2 had reached an agreement in principle in which Developer No. 2 agreed to give JEREIS a job sometime after ANNABI formally voted in favor of the Ridge Hill Project.

40. At a special City Council meeting on or about July 11, 2006, SANDY ANNABI, the defendant, voted in favor of the zoning change for the Ridge Hill Project. ANNABI's switched vote provided the fifth vote needed to secure a super majority of the Yonkers City Council members. The City Council approved the zoning change by a vote of 5-2.

41. In or about October 2006, ZEHY JEREIS, the defendant, signed a consulting contract with Developer No. 2 whereby Developer No. 2 agreed to pay JEREIS \$60,000, or \$5,000 per month for 12 months, to serve as a "real estate consultant." The contract was backdated to August 1, 2006 and JEREIS began receiving his \$5,000 monthly payments retroactively starting with the August 2006 payment.

42. Although his consulting contract with Developer No. 2 required him to submit monthly reports detailing what work he had actually done for Developer No. 2, ZEHY JEREIS, the

defendant, failed to submit any monthly reports until on or about March 12, 2007 -- after news reports about federal subpoenas pertaining to a federal investigation surfaced. On March 12, 2007, JEREIS sent a representative of Developer No. 2 an e-mail attaching seven months' worth of monthly reports, dating back to August 2006, that purported to describe the work JEREIS did for Developer No. 2.

Concealment Of The Corrupt Agreement

43. Because (i) the conspiracy was ongoing, (ii) further action was required by the City of Yonkers for Developer No. 1 and Developer No. 2's projects to be completed, and (iii) SANDY ANNABI, the defendant, was a high-level public official at the time the corrupt payments were made, it was a necessary part of the agreement to conceal from the City of Yonkers and the public the illegal payments ANNABI received. ANNABI, ZEHY JEREIS, the defendant, and Anthony Mangone took steps to conceal the corrupt agreement, including the following:

- a. ANNABI failed to disclose to other City Council members, City of Yonkers employees, and the public her receipt of the illegal benefits she received from JEREIS and Mangone.
- b. ANNABI affirmatively concealed the illegal benefits she received from JEREIS and Mangone by filing Financial Disclosure Statements with the City of Yonkers for the reporting years 2002 through 2008 that intentionally omitted the illegal payments.
- c. ANNABI failed to report the illegal payments she received from JEREIS and Mangone to the Internal Revenue Service ("IRS") on her U.S. Federal income tax returns, Form 1040.

- d. JEREIS purchased U.S. Postal Money orders and used them to pay ANNABI's mortgage payments for [REDACTED] Rumsey Road, the apartment in ANNABI's City Council District.
- e. After the federal investigation became public, JEREIS submitted reports to Developer No. 2 purporting to reflect work that he had done in connection with the consulting contract he demanded from Developer No. 2.
- f. After news of an investigation became public, JEREIS falsely told a person involved in Developer No. 2's discussions with JEREIS that he had not received a consulting contract from Developer No. 2.
- g. Mangone attempted to conceal the illegal conduct by preventing its discovery by a federal grand jury and federal law enforcement officials who were investigating ANNABI's corrupt relationship with JEREIS during and in the course of the conspiracy by, among other things, instructing Developer No. 1 not to tell an attorney representing Developer No. 1 in the criminal investigation that representatives of Developer No. 1 had given Mangone cash to give to ANNABI.

Overt Acts

44. In furtherance of the conspiracy and to effect the illegal objects thereof, SANDY ANNABI and ZEHY JEREIS, the defendants, Anthony Mangone, and others known and unknown to the grand jury, committed the following overt acts, in the Southern District of New York and elsewhere:

- a. On numerous occasions during the calendar year 2002, JEREIS gave ANNABI financial benefits totaling at least \$5,867.80.

b. On numerous occasions during the calendar year 2003, JEREIS gave ANNABI financial benefits totaling at least \$8,034.16.

c. On numerous occasions during the calendar year 2004, JEREIS gave ANNABI financial benefits and purported loans totaling at least \$74,944.

d. On numerous occasions during the calendar year 2005, JEREIS gave ANNABI financial benefits totaling at least \$30,741.

e. On numerous occasions during the calendar year 2006, JEREIS, Mangone and others gave ANNABI financial benefits totaling at least \$32,687.

f. On numerous occasions during the calendar year 2007, JEREIS gave ANNABI financial benefits totaling at least \$12,611.

g. On numerous occasions during the calendar year 2008, JEREIS gave ANNABI financial benefits totaling at least \$9,218.

h. On or about April 15, 2006 and April 15, 2007, ANNABI filed U.S. Federal Income Tax Returns, Form 1040, that omitted the illegal payments she received from JEREIS, Mangone and others.

i. On or about March 29, 2005, May 12, 2006, May 15, 2007 and May 14, 2008, ANNABI submitted financial disclosure statements to the City of Yonkers that failed to disclose her receipt of financial benefits from JEREIS, Mangone, and others.

j. In or about the summer of 2007, Mangone told an attorney representing Developer No. 1 and a third party, in substance and in part, that Mangone had taken cash from Developer No. 1 and used the cash to pay a bribe to ANNABI.

k. In or about the summer of 2007, after a representative of Developer No. 1 had told an attorney representing Developer No. 1 in connection with a federal grand jury investigation about the cash Mangone paid to ANNABI, Mangone instructed the representative of Developer No. 1 that he should go to a new lawyer and that he should not tell the new lawyer about the cash paid to Mangone.

l. In or about late April or May 2006, JEREIS told Developer No. 1, in substance and in part, that he could assist in getting ANNABI to support the Longfellow Project.

m. In or about the summer of 2006, Mangone called Developer No. 1 and told Developer No. 1, in substance and in part, that ANNABI would support the Longfellow Project if Developer No. 1 paid her cash.

n. In or about the summer of 2006, Mangone received \$20,000 in cash from Developer No. 1 to give to JEREIS to give to ANNABI.

o. On or about July 10, 2006, Mangone sent an e-mail to a representative of Developer No. 1.

p. On or about July 25, 2006, ANNABI sent an e-mail to her administrative assistant directing her not to put the Longfellow legislation on the list yet and to call "Z" [JEREIS]

and let him know that the Longfellow legislation had to be revised.

q. In or about September 2006, at a City Council meeting, ANNABI voted in favor of making Developer No. 1 the designated developer of the Longfellow Project.

r. On or about June 9, 2006, ANNABI and JEREIS met with representatives of Developer No. 2 at a restaurant.

s. On or about June 9, 2006, JEREIS asked one of Developer No. 2's representatives for a consulting job.

t. On or about June 15, 2006, ANNABI issued a press release, announcing her support for the Ridge Hill Project.

u. On or about June 16, 2006, JEREIS sent an e-mail to a representative of Developer No. 2 attaching his resume and a cover letter.

v. On or about June 20, 2006, and June 23, 2006, JEREIS again sent e-mails to a representative of Developer No. 2 about JEREIS's request for a job.

w. On or about June 28, 2008, JEREIS sent an e-mail to a representative of Developer No. 2, entitled "my info" that included JEREIS's business name, address and social security number.

x. On July 11, 2006, ANNABI voted to support a zoning change to permit the Ridge Hill Project to proceed.

y. On or about July 24, 2006, JEREIS sent at least two e-mails to a representative of Developer No. 2

discussing the status of JEREIS's contract, including one in which he wrote "I appreciate the movement on the contract."

z. On or about March 12, 2007, JEREIS sent an e-mail to a representative of Developer No. 2 attaching monthly reports dating back to August 2006 purporting to reflect work that JEREIS had done.

(Title 18, United States Code, Section 371.)

COUNT TWO

(Conspiracy To Deprive The City Of Yonkers And Its Citizens Of  
Annabi's Honest Services)

The Grand Jury further charges:

45. The allegations contained in paragraphs one through five and nine through forty-three of this Indictment are repeated and realleged as though fully set forth herein.

46. At all times relevant to this Indictment, the City of Yonkers and its citizens had an intangible right to the honest services of their public officials. As a public official for the City of Yonkers, SANDY ANNABI, the defendant, owed the City of Yonkers and its citizens a duty to refrain from receiving bribes and kickbacks in the form of money and a stream of financial benefits in exchange for ANNABI's official action or inaction, and influence, as specific opportunities arose.

47. From in or about 2002 through in or about December 2009, in the Southern District of New York and elsewhere, SANDY ANNABI and ZEHY JEREIS, the defendants, and others known and unknown to the grand jury, unlawfully, willfully, and knowingly did combine, conspire, confederate and agree together and with each other to commit offenses against the United States, to wit, mail and wire fraud in violation of Title 18, United States Code, Sections 1341, 1343, and 1346.

48. It was a part and an object of the conspiracy that SANDY ANNABI and ZEHY JEREIS, the defendants, Anthony Mangone,

and others known and unknown to the grand jury, having devised and intending to devise a scheme and artifice to defraud, including a scheme and artifice to deprive the City of Yonkers and its citizens of their intangible right to the honest services of ANNABI, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice and attempting so to do, would and did place in a post office and authorized depository for mail matter, matters and things to be sent and delivered by the Postal Service, and deposit and cause to be deposited matters and things to be sent and delivered by private and commercial interstate carriers, and take and receive therefrom, such matters and things, and cause to be delivered by mail and such carriers according to the direction thereon, and at the place at which they were directed to be delivered by the person to whom they were addressed, such matters and things, including correspondence, checks, and other payments, in violation of Title 18, United States Code, Sections 1341 and 1346.

49. It was a further part and an object of the conspiracy that SANDY ANNABI and ZEHY JEREIS, the defendants, Anthony Mangone, and others known and unknown to the grand jury, having devised and intending to devise a scheme and artifice to defraud, including a scheme and artifice to deprive the City of Yonkers and its citizens of their intangible right to the honest

services of ANNABI, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, including correspondence and e-mails, for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Sections 1343 and 1346.

(Title 18, United States Code, Section 1349.)

COUNT THREE

(Receiving Corrupt Payments - Longfellow Project)

The Grand Jury further charges:

50. The allegations contained in paragraphs one through five, nine through twenty-six, and forty-three through forty-four of this Indictment are repeated and realleged as though fully set forth herein.

51. From in or about the spring of 2006 through in or about March 2008, in the Southern District of New York and elsewhere, SANDY ANNABI and ZEHY JEREIS, the defendants, during the time when ANNABI was an agent of a state government and local government and any agency thereof, unlawfully, willfully, knowingly and corruptly, solicited and demanded for the benefit of a person, and accepted and agreed to accept, something of value from a person, intending to be influenced and rewarded in connection with a business, transaction, and series of transactions of such government and agency, involving something of value of \$5,000 and more, said government and agency receiving, in a one-year period, benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of Federal assistance, to wit, ANNABI and JEREIS solicited, agreed to accept and accepted money and payments directly and indirectly from Developer No. 1, intending to be influenced and rewarded for actions that ANNABI took, and agreed to take in the future, in

her capacity as a Councilwoman for the Second District of the City of Yonkers.

(Title 18, United States Code, Sections 666(a)(1)(B) and 2.)

COUNT FOUR

(Giving Corrupt Payments To A Public Official)

The Grand Jury further charges:

52. The allegations contained in paragraphs one through five, nine through thirteen and twenty-seven through forty-four of this Indictment are repeated and realleged as though fully set forth herein.

53. From in or about 2002 through in or about 2009, in the Southern District of New York and elsewhere, ZEHY JEREIS, the defendant, unlawfully, willfully, knowingly and corruptly, gave, offered, and agreed to give something of value to a person, with intent to influence and reward an agent of a state and local government and any agency thereof in connection with a business, transaction, and series of transactions of such government and agency involving something of value of \$5,000 and more, said government and agency receiving, in a one-year period, benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance and other form of Federal assistance, to wit, JEREIS offered, agreed to give, and gave money directly and indirectly to SANDY ANNABI, the defendant, during the time that she was a Councilwoman for the Second District of the City of Yonkers, with the intent to influence and reward ANNABI for official acts ANNABI took, and agreed to take in the future, in her capacity as a Councilwoman for the Second District of the City of Yonkers.

(Title 18, United States Code, Sections 666(a)(2) and 2.)

COUNT FIVE

(Receiving Corrupt Payments)

The Grand Jury further charges:

54. The allegations contained in paragraphs one through five, nine through thirteen, and twenty-seven through forty-four of this Indictment are repeated and realleged as though fully set forth herein.

55. From in or about 2002 through in or about 2009, in the Southern District of New York and elsewhere, SANDY ANNABI, the defendant, during the time that she was an agent of a state and local government and any agency thereof, unlawfully, willfully, knowingly and corruptly, solicited and demanded for the benefit of a person, and accepted and agreed to accept, something of value from a person, intending to be influenced and rewarded in connection with a business, transaction, and series of transactions of such government and agency, involving something of value of \$5,000 and more, said government and agency receiving, in a one-year period, benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance, and other form of Federal assistance, to wit, ANNABI solicited, agreed to accept and accepted money and payments directly and indirectly from ZEHY JEREIS, the defendant, intending to be influenced and rewarded for actions that she took, and agreed to take in the future, in her capacity as a Councilwoman for the Second District of the City of Yonkers.

(Title 18, United States Code, Sections 666(a)(1)(B) and 2.)

COUNT SIX

(Extortion Of \$20,000 From Developer No. 1)

The Grand Jury further charges:

56. The allegations contained in paragraphs one through five, nine through twenty-six, and forty-three through forty-four of this Indictment are repeated and realleged as though fully set forth herein.

57. From in or about May 2006 through in or about March 2008, in the Southern District of New York and elsewhere, defendants SANDY ANNABI and ZEHY JEREIS, and others known and unknown to the grand jury, unlawfully, willfully and knowingly obstructed, delayed, and affected interstate commerce and the movement of any article and commodity in commerce, by extortion and attempted and conspired so to do - to wit, ANNABI and JEREIS obtained money from Developer No. 1 with Developer No. 1's consent, under color of official right.

(Title 18, United States Code, Sections 1951(a) and 2.)

COUNT SEVEN

(False Statement To A Financial Institution: ██████ Patton Drive)

The Grand Jury further charges:

58. The allegations contained in paragraphs one through five and nine through forty-four of this Indictment are repeated and realleged as though fully set forth herein.

59. From in or about May 2004 through in or about July 2004, in the Southern District of New York and elsewhere, SANDY ANNABI, the defendant, unlawfully, willfully and knowingly did make a false statement and report for the purpose of influencing the action of Fremont Investment & Loan, an institution the accounts of which are and were then insured by the Federal Deposit Insurance Corporation ("FDIC"), upon an application, advance, discount, purchase, purchase agreement, repurchase agreement, commitment, loan, and any change and extension of the same, by renewal, deferment of action and otherwise, and the acceptance, release, and substitution of security therefor, to wit, in connection with an application for a mortgage to purchase property located at ██████ Patton Drive in Yonkers (the "Patton Drive House"), ANNABI falsely stated that (a) she would reside in the Patton Drive House; (b) that no part of the down payment was borrowed; and (c) that she had been paying monthly rent in her current residence of \$800 per month.

(Title 18, United States Code, Sections 1014 and 2.)

COUNT EIGHT

(False Statement To A Financial Institution:  
██████████ Bacon Place)

The Grand Jury further charges:

60. The allegations contained in paragraphs one through five and nine through forty-four of this Indictment are repeated and realleged as though fully set forth herein.

61. At all times relevant to this Indictment, Columbia Equities, Ltd, ("Columbia Equities") was a wholly owned subsidiary of OceanFirst Bank, a lender whose deposits were insured by the Federal Deposit Insurance Corporation ("FDIC"). Columbia Equities was in the business of arranging mortgages for FDIC lenders.

62. At all times relevant to this indictment, National City Bank ("National City") was also a lender whose deposits were FDIC insured.

63. From in or about May 2004 through in or about July 2004, SANDY ANNABI, the defendant, approached the same mortgage broker who was in the process of arranging the Patton Drive House mortgage and advised him that she wanted to purchase a second house. The mortgage broker told ANNABI, in substance and in part, that her application for a mortgage on the second house would have to be processed as an investment property given that she had already applied for a mortgage on the Patton Drive House and that the interest rates for investment properties were less

favorable than those available for owner-occupied residences. ANNABI thereafter advised the broker arranging the Patton Drive House loan that she was not interested in applying for a mortgage on a second house.

64. Shortly thereafter, and unbeknownst to the mortgage broker arranging the Patton Drive House loan, SANDY ANNABI, the defendant, approached Columbia Equities and National City Bank and applied for a mortgage and a home equity loan to purchase a house located at [REDACTED] Bacon Place, Yonkers, New York ("the Bacon Place House"). During and in the course of applying for the loans, ANNABI made the following false statements, among others:

- a. ANNABI failed to list as a liability on her loan application the mortgage on the Patton Drive House even though the closing on the Patton Drive House took place three days before the closing on the Bacon Place House;
- b. ANNABI falsely inflated her income and bank account balance;
- c. To support her falsely inflated income and bank account balance, ANNABI's application included fake pay stubs, fake W-2's, and fake bank statements;
- d. ANNABI falsely claimed that at the time of her loan application, she had been paying

rent at her previous residence of \$950 per month.

**Statutory Allegation**

65. From in or about May 2004 through in or about July 2004, in the Southern District of New York and elsewhere, SANDY ANNABI, the defendant, unlawfully, willfully and knowingly did make false statements and reports for the purpose of influencing the action of OceanFirst Bank, of which Columbia Equities was a wholly owned subsidiary, and National City Bank, institutions the accounts of which are and were then insured by the FDIC, upon an application, advance, discount, purchase, purchase agreement, repurchase agreement, commitment, loan, and any change and extension of the same, by renewal, deferment of action and otherwise, and the acceptance, release, and substitution of the security therefor, to wit, in connection with an application for a mortgage and home equity loan on the Bacon Place House, ANNABI made false statements as described in paragraph 64 above.

(Title 18, United States Code, Sections 1014 and 2.)

COUNT NINE

(False Statement To A Financial Institution:  
[REDACTED] Rumsey Road)

The Grand Jury further charges:

66. The allegations contained in paragraphs one through five and nine through forty-four of this Indictment are repeated and realleged as though fully set forth herein.

67. From in or about November 2004 through in or about February 2005, SANDY ANNABI, the defendant, caused to be submitted to Columbia Equities, an application and financial information, in connection with her seeking a mortgage to purchase a cooperative apartment located at [REDACTED] Rumsey Road, Yonkers, New York ("the Rumsey Road Apartment"), which was located in ANNABI's City Council District - unlike the Patton Drive House and the Bacon Place House. During and in the course of applying for the loan and at the loan closing that occurred on or about February 14, 2005, ANNABI made the following false statements, among others:

- a. ANNABI falsely inflated her income and bank account balance;
- b. To support her falsely inflated income and bank account balance, ANNABI's application included fake pay stubs, fake W-2's, and fake bank statements;

- c. ANNABI falsely claimed that she had received rental income from the Patton Drive House of approximately \$776 per month when she had not received any rental income from the Patton Drive House.

**Statutory Allegation**

68. From in or about November 2004 through in or about February 2005, in the Southern District of New York and elsewhere, SANDY ANNABI, the defendant, unlawfully, willfully and knowingly did make false statements and reports for the purpose of influencing the action of OceanFirst Bank, of which Columbia Equities was a wholly owned subsidiary, an institution the accounts of which are and were then insured by the FDIC, upon an application, advance, discount, purchase, purchase agreement, repurchase agreement, commitment, loan, and any change and extension of the same, by renewal, deferment of action and otherwise, and the acceptance, release, and substitution of the security therefor, to wit, in connection with an application for a mortgage on the Rumsey Road Apartment, ANNABI made false statements as described in paragraph 67 above.

(Title 18, United States Code, Sections 1014 and 2.)

COUNTS TEN AND ELEVEN

(Subscribing To False And Fraudulent  
U.S. Individual Income Tax Returns)

The Grand Jury further charges:

69. The allegations in paragraphs one through five and nine through forty-four of this Indictment are repeated and realleged as though fully set forth herein.

70. As set forth in more detail above, during the 2005 and 2006 tax years, SANDY ANNABI, the defendant, received in excess of \$63,000 in the form of payments from ZEHY JEREIS, the defendant, Anthony Mangone and Developer No. 1. Despite the fact that those payments constituted income, ANNABI failed to report that income on the U.S. Individual Income Tax Returns, Form 1040, that ANNABI caused to be prepared, subscribed, and filed with the IRS for the 2005 and 2006 tax years.

71. In addition to the foregoing, SANDY ANNABI, the defendant, falsely claimed on her 2005 U.S. Individual Income Tax Return, Form 1040, a casualty loss attributable to a \$50,000 loan she claimed to have made to her father on or about February 11, 2003, which ANNABI claimed had been defaulted on by her father. In fact, ANNABI had made no such loan to her father.

Statutory Allegation

72. On or about the dates set forth below, in the Southern District of New York and elsewhere, SANDY ANNABI, the defendant, unlawfully, willfully and knowingly did make and

subscribe to U.S. Individual Income Tax Returns, Forms 1040, for the tax years set forth below, which returns contained and were verified by the written declaration of ANNABI that they were made under penalties of perjury, and which returns ANNABI did not believe to be true and correct as to every material matter, among other ways, as set forth below:

COUNT	TAX YEAR	RETURN FILING DATE	FALSE ITEM(S)
10	2005	4/15/06	Failed to report income in the amount of at least \$30,741 from JEREIS; falsely claimed a casualty loss based on a purported 2003 loan to her father.
11	2006	4/15/07	Failed to report income in the amount of at least \$32,687 from JEREIS, Mangone, and Developer No. 1.

(Title 26, United States Code, Section 7206(1).)

Forfeiture Allegation as to Count One

73. As the result of committing the offense in violation of Title 18, United States Code, Section 371, alleged in Count One of this Indictment, SANDY ANNABI and ZEHY JEREIS, the defendants, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the said offense, including, but not limited to:

- a. At least approximately \$174,104.58, a sum of money representing the amount of proceeds obtained as a result of the said offense, and all property traceable to such property, for which the defendants are jointly and severally liable.
- b. Such sum includes, but is not limited to, all right, title and interest of SANDY ANNABI, the defendant, in the following:
  - i. All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, located at [REDACTED] Bacon Place, Yonkers, New York.
  - ii. All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, located at [REDACTED] Rumsey Road, Yonkers, New York.

(Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).)

Forfeiture Allegation as to Counts Two through Nine

74. As the result of committing one or more of the offenses constituting "specified unlawful activity" (as defined

in Title 18, United States Code, Section 1956(c)(7)) alleged in Counts Two through Six of this Indictment, and the offenses in violation of Title 18, United States Code, Section 1014, alleged in Counts Seven through Nine of this Indictment, SANDY ANNABI and ZEHY JEREIS, the defendants, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the said offenses, and all property traceable to such property.

(Title 18, United States Code, Section 981(a)(1)(C)  
and Title 28, United States Code, Section 2461(c).)

**Forfeiture Allegation as to Counts Eight and Nine**

75. As the result of committing one or more of the offenses in violation of Title 18, United States Code, Section 1014, alleged in Counts Eight and Nine of this Indictment, SANDY ANNABI, the defendant, shall further forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2)(A), any property constituting or derived from proceeds obtained directly or indirectly as a result of the said offenses, and all property traceable to such property.

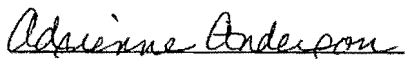
(Title 18, United States Code, Section 982(a)(2)(A).)

**Substitute Assets Provision**

76. If any of the forfeitable property described above in paragraphs 73 through 75 of this Indictment, as a result of any act or omission of the defendants: (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold

to, or deposited with, a third person; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be subdivided without difficulty, it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property, including but not limited to the following: all right, title and interest of SANDY ANNABI, the defendant, in all those lots or parcels of land, together with their buildings, appurtenances, improvements, fixtures, attachments and easements, located at [REDACTED] Bacon Place, Yonkers, New York, and [REDACTED] Rumsey Road, Yonkers, New York.

(Title 18, United States Code, Sections 981 and 982,  
Title 21, United States Code, Section 853(p), and  
Title 28, United States Code, Section 2461(c).)

  
GRAND JURY FOREPERSON

  
PREET BHARARA  
United States Attorney

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*United States District Court*

SOUTHERN DISTRICT OF NEW YORK

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**THE UNITED STATES OF AMERICA**

vs.

**SANDY ANNABI,  
ZEHY JEREIS,**

**Defendants.**

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**INDICTMENT**

**S1 10 Cr. 007 (CM)**

**(In Violation of Title 18 , United States Code, Section 371)  
(In Violation of Title 18, United States Code, Section 1349)  
(In Violation of Title 18, United States Code, Section 666(a)(1)(B) and 2)  
(In Violation of Title 18, United States Code, Section 666(a)(2) and 2)  
(In Violation of Title 18, United States Code, Section 1951(a) and 2)  
(In Violation of Title 18, United States Code, Section 1014 and 2)  
(In Violation of Title 26, United States Code, Section 7206(1))**

**PREET BHARARA**

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**United States Attorney**

**A TRUE BILL**

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*Adrienne Anderson*

Foreperson.

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