

## **Political Contributor, Developer Charles Kushner Pleads Guilty To Tax Fraud, Witness Retaliation and Making False Statements to the Federal Election Commission**

NEWARK - Real estate developer and political contributor Charles Kushner pleaded guilty today to 16 counts of assisting in the filing of false tax returns, one count of retaliating against a cooperating witness and one count of making false statements to the Federal Election Commission, U.S. Attorney Christopher J. Christie announced.

Kushner, 50, of Livingston, entered his plea in U.S. District Court before Judge Jose Linares.

At his plea hearing, Kushner admitted that, as Chairman of Kushner Companies, he assisted in filing false tax returns claiming over \$1 million in partnership charitable contributions as office expenses, causing losses to the IRS of between \$200,000 and \$325,000.

Kushner further admitted he devised a scheme to retaliate against a cooperating witness and her husband by having a prostitute seduce the husband and covertly filming them having sex. Kushner told the Court that he paid a private investigator \$25,000 to arrange for the seduction and videotaping of the cooperating witness' husband. Kushner admitted to personally recruiting the prostitute and instructing that the videotape be mailed to the cooperating witness.

Kushner also admitted to making false statements to the Federal Election Commission which allocated campaign contributions to certain individuals who had no knowledge that contributions were being made in their names and had not consented to him making the contributions.

"This is a great victory for the people of New Jersey," said Christie, "No matter how rich and powerful any person may be, they will be held accountable for criminal conduct by this office."

Each tax count carries a maximum penalty of three years in prison and a fine of \$100,000. The witness retaliation count carries a maximum penalty of 10 years in prison and a fine of \$250,000. The false statement charge provides for a maximum prison term of 5 years and a fine of \$250,000.

Under the U.S. Sentencing Guidelines Judge Linares will determine Kushner's actual sentence based upon a formula that takes into account the severity and characteristics of the offense as well as other factors.

Parole has been abolished in the federal system. Under Sentencing Guidelines defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Joseph Billy, Jr.; and Special Agents of the Internal Revenue Service Criminal Investigation section, under the direction of Special Agent in Charge Patricia J. Hayes.

The case is being prosecuted by First Assistant U.S. Attorney Ralph J. Marra, Jr., and Assistant U.S. Attorneys Scott Resnik and Thomas Eicher of the Special Prosecutions Division.

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