

UNITED STATES DISTRICT COURT

for the

Southern District of Florida

United States of America)

v.)

MICHAEL A. PIZZI and)
RICHARD F. CANDIA,)

Case No.

13-3116-AMS

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of June 2011 through June 25, 2013 in the county of Miami-Dade in the Southern District of Florida, the defendant(s) violated:

Code Section

18 U.S.C. 1951(a)

Offense Description

The defendants did knowingly combine, conspire, confederate, and agree with each other to obstruct, delay, and affect commerce and the movement of articles and commodities in commerce, by means of extortion, as the terms "commerce" and "extortion" are defined in Title 18, United States Code, Sections 1951(b)(2) and (b)(3), in that the defendants did plan to obtain United States currency and other property not due to the defendants, from another, with his consent, under color of official right, in violation of Title 18, United States Code, Section 1951(a).

This criminal complaint is based on these facts:

See attached affidavit.

Continued on the attached sheet.

Paul J. Wright - FBI
Complainant's signature

Paul J. Wright, Special Agent, FBI
Printed name and title

Sworn to before me and signed in my presence.

Date: 08/06/2013

Andrea M. Simonton
Judge's signature

City and state: Miami, FL

The Hon. Andrea M. Simonton, U.S.M.J.
Printed name and title

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

MISC. NO. 13-3116-AMS

UNITED STATES OF AMERICA

vs.

**MICHAEL A. PIZZI and
RICHARD F. CANDIA,**

Defendants.

AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT

I, Paul James Wright, having been duly sworn, depose and state as follows:

1. I am a Special Agent of the Federal Bureau of Investigation (hereinafter "FBI") assigned to the Miami Division. I have been a Special Agent of the FBI since 2009 during which time I have conducted numerous investigations, including investigations of official corruption. My experience as a Special Agent includes investigations involving local public officials to include code compliance officers, fire fighters, police officers and other local officials who held a position of public trust. For approximately the last four years in Miami, I have been assigned to the Public Corruption Squad.

PURPOSE OF THE AFFIDAVIT

2. This affidavit is submitted in support of a criminal complaint charging that, beginning in or about June 2011 and continuing through June 25, 2013, at Miami-Dade County, in the Southern District of Florida and elsewhere, **MICHAEL A. PIZZI** and **RICHARD F. CANDIA**, did knowingly and willfully combine, conspire, confederate, and agree with each other to obstruct, delay, and affect commerce and the movement of articles and commodities in commerce, by means of extortion, as the terms "commerce" and "extortion" are defined in Title

18, United States Code, Sections 1951(b)(2) and (b)(3), in that the defendants did plan to obtain United States currency and other property not due to the defendants, from another, with his consent, under color of official right, to wit, the defendants did plan to obtain bribes/kickbacks in exchange for official acts of **PIZZI** that benefited an undercover FBI company, all in violation of Title 18, United States Code, Section 1951(a).

SCOPE OF AFFIDAVIT AND BASIS OF INFORMATION

3. Since this Affidavit is being submitted for the limited purpose of establishing probable cause in support of a criminal complaint, I have not included each and every fact known to me concerning this investigation. I have set forth only the facts that I believe are necessary to establish the probable cause for the issuance of a complaint.

4. I have personally participated in the investigation, and as a result of this personal participation, as well as information provided by other FBI agents and law enforcement personnel, a review of certain public records, a review of documents received pursuant to grand jury subpoena, a review of recordings of conversations and meetings that occurred between a confidential human source, FBI undercover employees, and **PIZZI** and **CANDIA**, discussions and interviews with the same confidential human source, a review of toll records and other telephone data received pursuant to judicially-authorized pen registers and trap and trace devices, and matters that I have personally observed or have been reported to me by other law enforcement agents, I am familiar with the information submitted in this Affidavit.

BACKGROUND OF DEFENDANTS

5. **MICHAEL A. PIZZI** is the Mayor of the Town of Miami Lakes, in Miami-Dade County, Florida. **PIZZI** also serves as the Town Attorney for the Town of Medley, in Miami-Dade County, Florida.

6. **RICHARD F. CANDIA** is a lobbyist. **CANDIA** is registered to lobby in various South Florida municipalities, including Medley and Miami Lakes. Documents filed at the Florida Department of State, Division of Corporations, list **CANDIA** as the president and sole officer of Candia Solutions.

PROBABLE CAUSE

Explanation of Fraudulent Grant Scheme

7. This is an undercover operation in which undercover FBI employees (hereinafter UCEs) proposed the misappropriation of federal grant monies to willing and predisposed individuals, including the defendants, in exchange for kickbacks and bribery payments, and other consideration. The UCEs involved with this investigation purported to be the owners and operators of an undercover, Chicago-based, not-for-profit company (hereinafter "UC company"), which supposedly assisted municipalities in obtaining and administering federal grants. For purposes of this investigation, the FBI created a fictitious federal grant available through AmeriCorps, an actual federal government program associated with the U.S. Department of Commerce that seeks to address local community needs.

8. The fictitious grants involved in this investigation purported to be available from AmeriCorps, but only upon the official request of local municipalities. The UCEs, as principals of UC company, were represented to the defendants to have an inside contact at AmeriCorps who would assist in obtaining approval for grants and enable the UCEs to administer monies on

behalf of municipalities. The represented illegal aspects of the proposed deal involved both how it would obtain grants and what it intended to do with the federal monies awarded. As proposed, the fraudulent scheme would have willing public officials obtain the needed municipal approvals for the grant money. But, instead of directing the funds to benefit local communities, the substantial majority of the AmeriCorps monies were to be divided up between the principals of UC company and the public officials and others who secured needed approvals, all for their personal gain.

9. Upon AmeriCorps' approval of the assessment grant, no federal funds would be disbursed directly to the municipality. Instead, as the named administrator of the grant, UC company, would pretend to receive the monies and notify the defendants. The assessment grant was to be administered illegally by UC company in that no actual research or assessment would ever be completed; however, a generic, boilerplate study would be produced.

10. To successfully carry out the fraud, the UCEs would tell the defendants the grant scheme was essentially a mechanism to enrich the participants. In addition, to further the fraud scheme, the UCEs explained the defendants would have to participate in an audit or survey call purportedly conducted by AmeriCorps, but in reality the audit call would be conducted by another undercover FBI employee. On this call, **PIZZI** would be asked about the progress of UC company's employees, their work product, and their professionalism, all to assess the effectiveness of the federal grant money paid to UC company. For the scheme to succeed, **PIZZI** would be required to mislead and lie during the audit call when answering these questions.

11. In exchange for their involvement and for **PIZZI**'s official acts necessary for the scheme's success, **PIZZI** and **CANDIA** would receive cash payments and other things of value.

The Investigation

I. Introduction of CANDIA

12. On or about May 26, 2011, a reliable confidential human source (“CHS”) informed the FBI that a certain South Florida lobbyist might be able to introduce the UCEs to local politicians the lobbyist believed would be receptive to the fraudulent grant scheme.¹ That lobbyist, later identified as **CANDIA**, was believed to have contacts with public officials willing to accept bribery and kickback payments for assisting with the municipal approvals needed to obtain the federal grant monies. Through the CHS, two UCEs were introduced to **CANDIA**.

13. During a series of consensually recorded meetings, the UCEs explained the fictitious grant scheme to **CANDIA**. Specifically, on September 12, 2011, UCE 1, posing as a principal of UC company explained to **CANDIA**, “the play here is for the money, is for us to get the money and be able to use the money, you know, and just make money.”² UCE 1 also explained that although a participating municipality would get an economic development study, it would be “generic” or “boilerplate.” Because of that, UCE 1 explained the scheme required public officials “in you know, on the team, who understands, what, what’s going on here so that um, in the middle of it all, that they don’t decide to pull up. You know, I can’t have that.” UCE

¹ The CHS has been reliable and has been paid for expenses and services in relation to this ongoing investigation. The CHS has no criminal history.

² In this affidavit, I have not discussed every meeting or telephone call between the UCEs, CHS and the defendants. In addition, I have not included each and every word that was spoken during the recorded calls and meetings. Further, quoted sections of the recordings are based on the FBI’s preliminary analysis of the recordings and are not final transcripts. To the extent a quoted conversation includes the term “UI,” that indicates unintelligible. “OV” indicates that the voices overlap. The voice identification of the various participants in the recorded meets and conversations is based on the following: (1) information provided by the CHS and UCEs; (2) my review of the video portions of these recordings where the speaker is visible and my familiarity with the voices gained from that review; and (3) the content of the recordings. Finally, throughout this Affidavit, I have offered my interpretations of certain recorded conversations. My interpretations of these conversations is based on my knowledge of the investigation to date, including, but not limited to, conversations with CHS and the UCEs, and my review of the multiple recorded conversations and meets obtained during this investigation. My understanding is also based on conversations with other agents involved in this investigation and my training and experience in public corruption investigations.

I also explained, “we’ll take care of anybody that needs to be taken care of in, you know, whatever form or fashion,” and he was “willing [to] share whatever profits I get with whomever, including any kind of politicians, . . . who’s looking for you know, for something to help me grease it through to make sure that, there’s no RFP or anything” One of the politicians that **CANDIA** suggested for the scheme was **PIZZI**.³

II. Early Dealings with PIZZI

A. The First Meeting with PIZZI

14. **CANDIA** arranged for UCE 1 and the CHS to meet with **PIZZI** on September 13, 2011. The meeting occurred in the mayor’s office in the Town Hall of Miami Lakes, Florida. During the meeting, UCE 1 explained to **PIZZI** there are federal grants available which allow municipalities to benefit from economic development studies. UCE 1 continued to explain his company, UC company, writes federal grants on behalf of participating municipalities. **PIZZI** indicated he would have the Miami Lakes economic development committee review the proposal and arranged for the UCEs, the CHS and **CANDIA** to meet with the committee.

15. After the conversation with **PIZZI**, and outside the presence of **PIZZI**, UCE 1 and the CHS explained to **CANDIA** the meeting with the committee might present issues because the scheme could be questioned. **CANDIA** indicated he would try and meet with **PIZZI** to explain that the meeting with the committee should be cancelled. UCE 1 then paid \$500 to **CANDIA** for setting up the meeting with **PIZZI**. The payment was made in the form of a check made payable to Candia Solutions, Inc. On September 23, 2011, **CANDIA** told the CHS he had cancelled the meeting with the committee.

³ Unless otherwise indicated, all in-person and telephonic conversations between the CHS, the UCEs and the defendants were consensually recorded.

16. On October 1, 2011, the CHS had a telephonic conversation with **CANDIA**. During the call, **CANDIA** stated he had met privately with **PIZZI** regarding the federal grant scheme, to explain that UCE 1 had indicated money was available. Specifically, **CANDIA** said he had told **PIZZI** that UCE 1 “understands the things that need to be done here, so we could put some – help, we could help the opponent against the guy that voted against the budget, he’s up for election, I said we could help there and I can help you with other things as well. [**PIZZI**] got it right away, he said give me a resolution, give me some language, and I’ll put it through in Medley.” The CHS said he would get a hold of UCE 1 to retrieve the requested language for the resolution.

B. The Second Meeting with PIZZI and Requested Campaign Contributions

17. On January 20, 2012, UCE 1 and another UCE (hereinafter “UCE 2”) met with **PIZZI**, **CANDIA**, and the CHS at a restaurant in Miami Lakes to discuss the federal grant. During the meeting, **PIZZI** indicated he wanted to go forward with the resolution in Medley, explaining, “We talked already, we met, I did my due diligence, we met a few months ago, and um, I did my due diligence, I checked everything out, I have a good staff of people, I checked it out.” **PIZZI** explained further, “I didn’t get where I am being stupid. I don’t do anything without considering every aspect, economics, ethical, political. If I say yes, it means I have examined every conceivable angle of this thing.” During the meeting, **PIZZI** also asked he be provided the resolution language and that someone appear at the Medley council meeting on February 6, 2012.

18. Near the end of the same meeting, **PIZZI** explained with regard to the resolution, “on February sixth, it’s a yes, we’re going forward with it.” **PIZZI** continued “Uh, now, in order to keep doing these good things, . . . I have to stay in office.” **PIZZI** explained further, “so, what

I need is this, I need the private sector to support a mayor that's a pro-business mayor, who's doing the right things. So I'm having, I'm having a little something here next Wednesday. [CANDIA], if you can help me out a little bit, you know, whether or not you do, we're going forward a thousand percent because these guys are great, I gave my word and it's the right thing to do. So, if I never see you again, we are, we are going forward in Medley and Miami Lakes, you know why? Because we are going to create jobs and lower taxes and make me look good. But if you can bring a couple of people to help me out, uh." CANDIA then interrupted PIZZI and asked, "What are the rules in Miami Lakes, what are they?" PIZZI responds "Two fifty individually". UCE 1 asked "No corporate checks?" PIZZI reiterated, "Individually, it's two fifty. So whatever you can do, and it's great to see you guys, and, and you know, we're going to have a successful partnership, and uh, whatever I can do to help you make money, that's the American way. It's great to see you, thank you."

19. On January 25, 2012, the CHS met PIZZI at his town hall office in Medley. During the meeting, the CHS discussed the grant program with PIZZI and gave PIZZI three separate checks made payable to "Reelect Mayor Michael Pizzi." The checks were not in the names of the UCEs, or the CHS, but instead were drawn on three FBI undercover bank accounts. When the CHS gave PIZZI the checks, the following conversation occurred:

CHS: . . . you said three and I've got three here for you.

PIZZI: That's fine.

CHS: And you'll note they're not in [UCE 1's], mine, or [UCE 2's] name.

PIZZI: It doesn't make – I got it. I got it. Whatever . . .

20. One of the checks provided to PIZZI was drawn on an account that purported to be held in the name of a male individual ("E.P."), with no address for E.P. listed on the check.

C. The Resolution Passes in Medley

21. On February 6, 2012, **PIZZI** caused the passage of a resolution in the Town of Medley, authorizing UC company to seek a grant on behalf of the city. The resolution was signed by, among others, **PIZZI**, as the Town Attorney of Medley.

22. On February 7, 2012, the CHS had a telephonic conversation with **PIZZI**. During the call, **PIZZI** said he was upset because neither the CHS nor **CANDIA** had been at the meeting. More specifically, the following conversation occurred:

PIZZI: Hey, you know what, I can I say something, [CHS], it passed unanimously, I got it done, but somebody [CANDIA] or somebody, somebody should have been there last night, just in case.

CHS: Yeah, well [CANDIA], unfortunately screwed up, and booked himself to go to Tallahassee and he didn't let me know..

PIZZI: [CHS] but what I'm saying is, let me say something, I got it passed unanimously on my own, but it almost (unintelligible) that I'm approving a contract and doing all this stuff and not one person was there to answer any questions or representing anybody, I mean somebody, [CANDIA] should have, listen, [CANDIA] should have made sure, he should have made sure that somebody was there to talk to counsel member or answer questions. It passed unanimously because I forced them to do it. But, you almost lost it, because no one was there, you know, no one was there to reach out to the people on the counsel.

CHS: I apologize, you did your part actually, I'm not going to be too nasty about it but I am now going to be your main contact, and (unintelligible).

PIZZI: But listen, No, I didn't, no listen, I didn't do my part, I did more than my part because I got it on the agenda, I got the votes and then I had to make your presentation for you, ha-ha.

CHS: Yeah, yeah, no I will be...

PIZZI: In the future, listen when you ask me to do something and I get it on the agenda within two weeks and I deliver the votes you can't leave me hanging because I promised them that somebody was going to be there to talk to them.

CHS: Yeah no, no, it's, it's, as they say, it's our bad big time, and what I want to do it, I wanted to find out how it went and I'm glad it went. I am going to call [UCE 1]

up and he wants to come down and meet with and discuss some further and then of course thank you personally.

PIZZI: It passed unanimously and it passed unanimously and the resolution gives me blanket authority to sign any agreements to get this done, ok.

D. The Meeting with PIZZI in Miami Beach

23. On February 29, 2012, the UCEs met with **PIZZI** and the CHS at a restaurant in Miami Beach. During the meeting, the UCEs told **PIZZI** they would need an endorsement letter signed to accompany the grant application package. After dinner, the UCEs and **PIZZI** entered the UCEs' car to discuss the letter; the following conversation occurred:

UCE 1 I just want to be clear with you mayor, so that there are not any hard feelings down the road. But, you understand a lot of this shit is just bogus. What we are doing here is just grabbing money. We are gonna take it and then help you figure out . . .

PIZZI: I can't do it if it's just bogus. That I can't do. I can do it only if you gonna actually if you are –

UCE 2 We are gonna create a feasibility study.

UCE 1: We will get you a feasibility study.

PIZZI: We gotta do a feasibility study.

UCE 1: Yeah, because [CHS] was telling me that you need a little more help on the campaign –

PIZZI: I am not worried about that. I just –

UCE 1: [UCE 2]'s got the money –

PIZZI: I just wanna do the right thing by the City and make sure that this actually works.

UCE 1: It is gonna work. It is gonna work. We are gonna give you a feasibility study. But a good portion of this thing is gonna go ahead and –

UCE 2: come back to us.

PIZZI: Well, I don't mind people getting compensated if they are gonna do the feasibility study. Let me tell you what I am gonna do. We are gonna do it. I just want to

read this. And I am gonna give it to [CHS] over the weekend. I promise. Let me just, [CHS] is my point of contact on this, let me just read this –

UCE 1: We are not cutting him out, if that is what you are worried about.

PIZZI: Let me just read it and give it to him. He is my point of contact. I am gonna do it. You have my word. I just prefer to do it that way. We are gonna do it. We are definitely gonna do it. I just prefer to do it that way. That is what I think is the way I want to do it. The only thing I wanna say, I don't mind paying grant administrator's any amount of money, as long as the town doesn't have to pay anything.

UCE 1: There is nothing wrong with that

PIZZI: And as long as the town doesn't have to pay anything, as long as there is an opportunity to do something down the line and as long as the feasibility study is really gonna be done.

UCE 1: That is a given, but we want you to understand -

UCE 2: The feasibility is not gonna cost \$200,000

UCE 1: And [CANDIA] told us that you understand that –

PIZZI: My understanding is that this is a project that is gonna work

UCE 1: It is gonna work, but we are all gonna make money on it

PIZZI: Well, I don't need to make anything. I just wanna make sure, I don't mind paying overhead to other people who administer the program, but I don't need anything, what I get out of it is a feasibility study and its gonna work out. It's all I care about. That is all I care about. My only interest is in, my only interest is in, the fact that, I don't mind paying overhead, as long as there is something good that is gonna happen, there is something good that comes, that is what I care about. So, to tell you the truth - I don't want to micro-manage that. As long as there is something good to happen for the city, I don't need to know what the overhead is, as long as it is legit.

24. Later during the same meeting, the UCEs and **PIZZI** had the following conversation:

UCE 1: Was there some misunderstanding from what [CANDIA] and [CHS] told us?

PIZZI: No there isn't. But my understanding from them is that this is a really good opportunity

UCE 1: Yeah, we are gonna give you a feasibility study, but I mean, it's not the greatest thing in the world, the point is, we are here to make some money for ourselves -

PIZZI: Well you know what, let me review this and talk to [CHS] and [CANDIA] I will get back to you over the weekend. I promise. OK?

UCE 1: I hope we didn't step on something here

PIZZI: You didn't step on something.

UCE 2: We thought we had an understanding. We were hoping that [CANDIA] didn't drop the ball on that part of it?

PIZZI: Let me talk to [CANDIA] and [CHS] over the weekend. Good to see you guys.

25. **PIZZI** then got out of the UCEs' car and headed towards the CHS who was standing outside of his car. After greeting each other, **PIZZI** asked the CHS, "Would it be difficult to get uh, two more checks of two fifty? Would that be a hard thing to do?" The CHS responded, "that's easy." **PIZZI** continued, noting that he had a "PAC"(a political action committee), and explained, "So if we can do something with that too. I want to show a strong number and really kick some ass. . . ." In response, the CHS asked, "as far as your PAC, what, five, ten?," (meaning five or ten thousand.) **PIZZI** responded, "It's easy enough to do." **PIZZI**, then mentioned "I'm doing an event, a community BBQ on [UI] Saturday. You know what we're talking about for this thing? For this thing we're talking about a measly, you know five or six hundred bucks. If you can . . ." The CHS responded, "that's nothing," "that's pocket change."

26. During the same conversation, **PIZZI** stated, "I met [the UCEs] through you" and "[e]verything I do, is through you. You're the guy; I don't do anything without you being involved in it." **PIZZI** also explained that **CANDIA** should have been at the meeting since it was **CANDIA** that "made the introduction" and because **CANDIA** "vouched for you."

27. On March 1, 2012, **PIZZI** sent an email to the CHS. The email contained the following message: "Please make sure that the guys at [UC company] or whomever need to hold off applying for a grant until agreement is finalized with Medley and signed off on. You can relay message and we will talk later." From March 1, 2012, until the late fall of 2012, the UCEs had no contact with **PIZZI**.

III. PIZZI Files Campaign Treasurer Report Listing the Three Checks from UCEs

28. On April 10, 2012, **PIZZI** filed and signed a campaign treasurer's report with the Florida Department of State, Division of Elections. Above his signature, **PIZZI** certified he had "examined the report and it was true, correct and complete." Listed in the campaign report were the three checks given to **PIZZI** by the CHS that had been drawn on FBI undercover bank accounts.

29. The signed treasurer's report contained an address for E.P. even though one had not been provided either verbally or on the printed check. According to documents obtained from the Florida Driver and Vehicle Information Database and other public databases, the address listed in the campaign treasurer's report is, in fact, the address for a female with the same last name as E.P. There is no such individual as the E.P. listed on the check given to **PIZZI**, because it was drawn from a FBI undercover account.

IV. CANDIA Indicates that PIZZI Wants to Proceed With the Scheme

30. Beginning in the late fall of 2012, **CANDIA** said **PIZZI** may still be interested in the grant scheme. During a recorded telephone call on October 31, 2012, **CANDIA** advised the CHS that **PIZZI** had raised the issue during a meeting. According to **CANDIA**, **PIZZI** had been uncomfortable with the UCEs during the February 29, 2012 discussion in the car because they "kept on pressing the issue when he had already agreed to do it and so um he said, let's get

this thing going after the election.” The CHS remarked that **PIZZI** had acted “weird” the last time, but **CANDIA**, said “no, we are in.” The CHS and **CANDIA** also agreed the UCEs should meet again with **PIZZI**.

31. On December 10, 2012, the CHS and **CANDIA** spoke again. During the call, **CANDIA** again stated that **PIZZI** wanted to move forward. The CHS responded he was concerned **PIZZI** might “wig out again.” **CANDIA** answered, “No, no, no, no he's ready.”

32. On December 12, 2012, the CHS had another telephone conversation with **CANDIA** to ask if he had spoken with **PIZZI** and if “he’s ok with everything?” **CANDIA** explained **PIZZI**’s previous concerns about the February 29, 2012 discussion with the UCEs in the car:

Yeah, um, I he and I spoke and and like like I told you um [CHS], he got nervous when probably [UCE 2] mentioned in the car, he says, that [UCE 2] said look, you know, you know the study’s not all that great and you know there’s a lot of money going back and forth and he said ‘[**CANDIA**],’ **PIZZI** said, ‘[**CANDIA**], I thought you know hey is this thing being recorded, why are they saying this I thought everything we had already said everything was cool,’ um I said I didn’t like the way that was handled, and that was unfortunate [CHS], uh, [CHS] it was really unfortunate because, I couldn’t be there that day, I remember. (Emphasis added.)

Later in the call, the CHS and **CANDIA** arranged a meeting for the next night with the UCEs and **PIZZI**.

V. The UCEs Meet Again With PIZZI & PIZZI Requests \$1,000

33. On December 13, 2012, the UCEs met with **CANDIA** to discuss an upcoming meeting with **PIZZI**. The UCEs explained **PIZZI** would have to execute an “endorsement letter” in his official capacity as the Town Attorney for Medley. The endorsement letter would give UC company exclusive rights to apply for grant funds on behalf of the Town of Medley. The UCEs also advised **CANDIA** that **PIZZI** would need to backdate the endorsement letter

because of the elapsed time since Medley had passed the resolution. **CANDIA** agreed to ask **PIZZI** to do this and then went with the UCEs to meet **PIZZI** at a restaurant.

34. During the restaurant meeting, **CANDIA** explained to **PIZZI** the need to sign the endorsement letter in connection with the Medley grant. In addition, **CANDIA** advised **PIZZI** he would need to answer a survey call from AmeriCorps. With regard to the survey call, **CANDIA** told **PIZZI**, “the purpose of that call make sure that, yeah, [UC company] is our, is our, is the group we allowed to do the study, yes, they’re doin’ a great job, etcetera, etcetera, etcetera. But you gotta be the, uh, you have to be the, uh, the contact person.” **PIZZI** responded “Okay,” and asked if **CANDIA** could meet him “in the office tomorrow with the agreement?” **CANDIA** agreed to meet with **PIZZI** the next day.

35. Later in the conversation, the following exchange occurred:

PIZZI: The, um, am, am I, we have a good expectation of, uh, of success, right?

CANDIA: Yes, sir, we do.

UCE 1: Oh, we have a good expectation. Yes, I, I have no, no doubts about that. You know and I, I know we had maybe a miscommunication or a misunderstanding earlier, but-

PIZZI: [OV] No we’re fine. You know what, we’re both fine. I think I’m a man of very few words. You, you’re telling me that you’re successful and we’re going to get a study that could potentially bring the funds, correct?

CANDIA: That’s it. The study itself, the study itself is, um, could be a, could be a component of other grants that the Mayor would wanna pursue?

PIZZI: Now, um, now I only have two questions. Is the study gonna get done?

UCE 1: Yes.

PIZZI: Question number one. Is the study gonna get done?

CANDIA: Yeah.

UCE 1: Yes.

PIZZI: Question number two. Is there at least a potential to get some grants out of the study?

CANDIA: Yes.

PIZZI: Okay. Question number three. Is it gonna cost the city anything?

CANDIA: No.

PIZZI: Okay. So there's no downside to it. We're gonna get the study and the potential of grant money, right?

CANDIA: Yes.

PIZZI: If you don't get grant money, we haven't lost anything, right?

CANDIA: No, not a thing.

PIZZI: Then let's move forward. Let's go. Uh, bring the agreement by my office tomorrow and we'll execute it. Okay?

CANDIA: What time? What time tomorrow?

UCE 1: Yeah when, when, what are you guys workin' tomorrow for?

PIZZI: Meet me in Miami Lakes tomorrow at, uh, eleven-thirty

CANDIA: Eleven-thirty? Can do that.

PIZZI: And we'll execute it and we'll get this done, okay?

CANDIA: Alright, sir. Thank you.

PIZZI: The only thing I do ask of you, and we're gonna explore this in Miami Lakes?

CANDIA: I'll talk to you, I'll talk to you about that tomorrow..

PIZZI: Another that I wanted to ask you is, we gotta be good corporate partner. What I mean is that, the city needs a specific, the city foundation or needs, uh, uh, assistance on their projects or one of their community things, the expectation is that you're gonna be good corporate partners and you're gonna, you're gonna work with the city on different projects.

UCE 1: Yeah, whatever you ask [**CANDIA**] or [**CHS**] to do, we'll be happy to do it. We have no issues.

36. Later during the same meeting, UCE 1 revisited **PIZZI**'s earlier reluctance:

UCE 1: So Mayor, I gotta ask ya. You know, when we had this discussion last time you were a little bit reluctant. There's no, I mean I don't want you to feel like, you know, we're, I don't know, pressuring you or anything to do this.

PIZZI: No I don't feel pressured at all.

UCE 1: Okay, good. I mean, because obviously, we had a bit of a disagreement while we were at this juncture last time and there was something honestly that [CHS] and [CANDIA] both assured me that you understand the program and we're good to go. I mean I'm just asking from a self-preservation standpoint, you know, for my own, make sure my business kinda stays in, and we're still gonna be solid and keep going forward.

PIZZI: Sounds like a good deal for the city.

UCE 1: It is.

PIZZI: Whata they got to loose?

UCE 1: Nothing. Absolutely nothing. No, it's definitely-

PIZZI: And the new Mayor and council are looking to expand their economy.

UCE 1: I'm sorry, I didn't hear.

PIZZI: The new mayor and council are looking to.

UCE 1: Well, the economic development, right.

PIZZI: The economic development. They've got nothin' to lose. What do they got to lose?

UCE 1: Nothin' but other than, you know, sometimes they may look at the study and say, Well, this is not a study, it's something to - course city's not gonna have any outlay or any kind of.

PIZZI: Their not spending any money.

UCE 1: Yeah.

PIZZI: Is there a chance for success?

CHS: Yeah.

UCE 1: Oh, yeah, more than a chance. It's gonna, it's gonna happen. You're gonna get a, you're gonna get a, a product.

37. After dinner, the UCEs met with **CANDIA** and **PIZZI** at a local bar in Miami Lakes. At varying times throughout the course of the evening the UCEs had several conversations with both **PIZZI** and **CANDIA**. During one conversation, **CANDIA** advised UCE 1 that **PIZZI** wanted \$1,000 in return for signing the UCE's endorsement letter.

VI. CANDIA Delivers \$1,000 & Facilitates Signing of Endorsement Letter by PIZZI

38. On December 14, 2012, **CANDIA** met the UCEs at their hotel room in Miami Lakes to obtain \$1,000 in United States currency for the purpose of paying **PIZZI** in exchange for signing the endorsement letter. FBI agents conducting surveillance observed **CANDIA** leave the hotel and drive to the Town Hall of Miami Lakes. Surveillance agents observed **CANDIA** enter the Town Hall at 11:00 am and leave the Town Hall at 11:35 am.

39. After leaving the Town Hall, **CANDIA** called UCE 1 to advise he had given **PIZZI** the endorsement letter and **PIZZI** would give **CANDIA** a signed letter later that day. At approximately 5:40 pm that same day, UCE 2 received the following text message from **CANDIA**, "I will have it Monday-(my complication...)". Also, on December 14, 2012, the CHS called **CANDIA** and asked "was [**PIZZI**] happy with the uh, the gift?" **CANDIA** responded, "Abso -, absolutely."

40. On December 20, 2012, the CHS met **CANDIA** in Miami to obtain the endorsement letter signed by **PIZZI**. The executed letter listed **PIZZI**'s title as "Town Attorney" and was backdated "6/11/2012," as the UCEs had requested. In addition, I have personally reviewed the endorsement letter, the resolution passed by the Town of Medley, and a copy of a **PIZZI**'s signature on file with the Florida Driver and Vehicle Information Database.

The signatures all appear to be from the same person. In addition, the date of "6/11/2012" also appears to be in the same handwriting.

VII. PIZZI Answers the Survey Call from AmeriCorps

41. On January 14, 2013, a FBI employee, acting in an undercover capacity (hereinafter "UCE 3"), placed a telephone call to **PIZZI**. UCE 3 posed as an auditor from AmeriCorps calling to conduct a survey regarding the grant awarded to the Town of Medley. **PIZZI** did not answer that call, but subsequently returned UCE 3's telephone call. When **PIZZI** called UCE 3 back, he introduced himself as the "town attorney for the City of Medley." During the call, **PIZZI** asked UCE 3, "has the grant been issued, has it been allocated?" UCE 3 responded, "Yes sir. It was, it was allocated it was approved uh you know they should be getting uh be getting the fifty thousand dollars uh pretty soon once the whole process here is completed." UCE 3 further explained, "I mean as far in the process of we need to complete this in order for them to be able to get the money as soon as possible." **PIZZI** then indicated that he was headed into a meeting and that they would talk later that day.

42. Later that same day, January 14, 2013, **PIZZI** called UCE 3 to complete the survey. During that call, the following conversation occurred:

UCE 3: Americorps, this is [UCE 3]!

PIZZI: You got Mike **PIZZI** the town attorney from Medley. Ready to do your survey!

UCE 3: Hey how are you sir!

PIZZI: Good.

UCE 3: Okay uh well like I told you before uh [UC company] got a fifty thousand dollar uh grant they already received one the, the first uh disbursement of seventeen thousand dollar we have the second one ready waiting to be able to complete this part of the whole process.

PIZZI: I'm sorry they were, they received how much?

UCE 3: Seventeen.

PIZZI: Okay then...

UCE 3: Seventeen thousand we have the second uh payment uh being processed getting ready uh.

PIZZI: Ok, tell me, tell me what you want to do then?

UCE 3: What's that?

PIZZI: Okay I'm ready to do your survey.

UCE 3: Yes okay uh the first question question will be how you found [UC company] to be responsive or unresponsive to your community needs during the assessment phase of the feasibility study?

PIZZI: Responsive.

UCE 3: Okay. Has [UC company] maintained consistent communication with you about the progress of the feasibility study including a specific community development needs of your municipality?

PIZZI: Yes.

UCE 3: How often have you communicated with the represent representative of [UC company] about the specific needs of the community being studied? Daily, weekly, monthly or less frequently?

PIZZI: Monthly.

UCE 3: Okay. Have you signed an endorse, an endorsement letter affirming your municipality's support for [UC company] in their bid for their federal grant?

PIZZI: Yes.

UCE 3: Okay. Has [UC company] provided on the ground personnel to visit your municipality, their departments review your records and interview municipal personnel?

PIZZI: Yes.

UCE 3: How would you rate the efficiency of the work of [UC company] assessment personnel? Highly efficient, efficient or inefficient?

PIZZI: Efficient.

UCE 3: Okay. Have you received any feedback uh from your municipality personnel about the professionalism, diligence, uh performance of uh [UC company] assessment personnel?

PIZZI: Yes.

UCE 3: What has the feedback been?

PIZZI: Professional.

UCE 3: Okay. Has your municipality provided adequate work space and support to [UC company] assessment personnel?

PIZZI: Yes.

UCE 3: Okay. What specific economic and community development projects are being studied for your municipality by [UC company] assessment personnel?

PIZZI: Job uh job creation job creation and uh economic growth.

UCE 3: Okay. How satisfied are you about the usefulness, uh of the proposed projects being studied? Very satisfied, satisfied or unsatisfied?

PIZZI: Satisfied.

UCE 3: Are the proposed community development projects under studied and efficient and worthwhile use of taxpayers funds?

PIZZI: Yes.

UCE 3: Okay do you have anything you would like to add about [UC company] or the personnel?

PIZZI: Uh just they've been professional and we hope that they're going to give us advice as to how to create jobs for uh our residents

UCE 3: That's good perfect that will be all uh...

PIZZI: Okay.

UCE 3: Thank you so much Mr. **PIZZI** for, for your time.

43. At the time this call occurred, the UCEs had met with **PIZZI** on only two occasions at restaurants since the resolutions passage. No “on the ground personnel” from [UC company] had been to Medley to visit the “municipality” or “review records” or “interview municipal personnel.” In addition, Medley had not provided “adequate work space and support to [UC company] assessment personnel,” because no one had been there to do the assessment.

VIII. PIZZI Agrees to Pass Resolution in Miami Lakes

44. On February 26, 2013, the UCEs, **CANDIA**, the CHS and **PIZZI** met at a restaurant in Medley, Florida. During the meeting, UCE 1 discussed the government sequestration and anticipated cuts to the AmeriCorps program. UCE 1 explained “most of the cuts are going to come in lay-offs to personnel, and with that, but not everybody obviously, essential functions are still gonna continue.” **PIZZI** responded, “well we don’t really care about that” and UCE1 responded, “no we don’t, that’s my point and no we do get I in a sense it’s gonna help me because there is gonna be less people kind of questioning what I’m doing or whatever.” **PIZZI** responded, “well, there will be less oversight, right.”

45. During the same conversation, the following conversation occurred regarding the grant scheme in Miami Lakes:

UCE 1: I understand we might have some with you too? Over at Lakes?

PIZZI: Yeah, I have um, I’m gonna have [**CANDIA**] introduce you to one of the council members. [**CANDIA**] it’s [Councilmember A], cause if he asks I can’t talk to him because the defense line, so why don’t you uh have them meet [Councilmember A].

RC: Okay, I’ll try to do it next week.

UCE 2: Okay that would be great.

46. Later in the conversation, **PIZZI** stated “meet with [Councilmember A] and see if he’s interested in to see if it’s gonna help the city.” **CANDIA** elaborated this would allow somebody else to put the resolution forward.

47. With regard to Medley, **PIZZI** indicated that a study would have to be given to the city. UCE1 responded, “Yeah, it will be I mean you know it’s not gonna be Harvard Business Law review but (laughing) it will be done...as a matter of fact if you can give us a suggestion as what you want in there.” **PIZZI** stated that he would provide the UCEs with a proposal as to what the study should include the following week, but subsequently never provided any proposals, and never discussed it again with the UCEs.

A. \$2,000 Pay-off to PIZZI

48. After the February 26, 2013 meeting, the CHS sent a text message to **CANDIA**. The text stated: “Great job today! Let me know what Pizzi wants.” Approximately, forty-five minutes after sending the text, the CHS received an incoming text message from **CANDIA**. **CANDIA**’s text stated: “Our friend asked for 2”. The CHS responded to **CANDIA**’s text with the following: “[UCE 1] will deliver the 2k to Pizzi Thursday night.”

49. On February 28, 2013, the UCEs met with **PIZZI** at a billiard club in Miami Lakes. During the evening, UCE 1 placed a clear zip-lock bag containing an envelope with \$2,000 in United States currency and two cigars on the edge of a billiard table. UCE 1 then told **PIZZI** the two “cigars” were for him. **PIZZI** stated that he did not smoke. UCE 1 then reminded **PIZZI** that **CANDIA** had said **PIZZI** wanted two cigars. **PIZZI** thereafter took the zip-lock bag and went into the men’s restroom. When he exited the restroom, **PIZZI** did not have the zip-lock bag in his hands. UCE 1 subsequently entered the restroom, searched for the envelope or zip-lock bag, but could not locate either.

B. The UCEs Meet With Miami Lakes Councilmember A

50. On February 27, 2013, the UCEs, **CANDIA** and the CHS met with Councilmember A as suggested by **PIZZI**. Although the grant was discussed generally, Councilmember A was not informed the substantial majority of the money would be used to compensate the participants or that kickbacks were available. Councilmember A agreed to seek passage of the resolution in the Miami Lakes.

IX. PIZZI Works to Pass the Resolution in Miami Lakes

A. The March 2013 Miami Lakes Council Meeting

51. During a telephone call on March 12, 2013, **CANDIA** told the CHS he had recently spoken with **PIZZI**. According to **CANDIA**, **PIZZI** had reviewed the agenda for the March 2013 meeting and noticed a request by Councilmember A that additional research be conducted regarding the grant. Accordingly, **PIZZI** had directed that **CANDIA** have the matter removed from the March 2013 agenda and **PIZZI** would have it put on the April agenda through another commissioner. **CANDIA** further informed the CHS that **CANDIA** had the item pulled from the agenda. According to **CANDIA**, “[**PIZZI**] really came through for us, he gets it, he understands it.” **CANDIA** also explained **PIZZI** had said **CANDIA**’s error in not catching the additional research request on the agenda was “going to ruin it for everybody.”

52. On March 12, 2013, the CHS called **PIZZI** to thank him for having caught the issue with the resolution. During the call, the following conversation occurred:

CHS: . . . [F]irst of all thanks so much for your, what you caught last night, uh, [**CANDIA**] called me and told me that you uh, uh, caught what [Councilmember A] did and you were able to help fix it or get [**CANDIA**] to fix it so.

PIZZI: Yeah, I got an idea, it's coming back in April I fixed it, yeah.

B. The April 2013 Miami Lakes Council Meeting

53. Thereafter, the resolution was to be placed on the April 2013 Miami Lakes Council agenda. However, as with the March meeting, **PIZZI** expressed concerns about having the vote at the April meeting and caused the resolution to be removed from the agenda. On April 24, 2013, **CANDIA** and UCE 2 spoke on the telephone. During the call, **CANDIA** stated “that our boy was looking out for us again.” (I believe **CANDIA** was referring to **PIZZI** as “our boy.”) **CANDIA** explained the April 2013 council meeting was to be attended by a group of citizens who would be monitoring the meeting and making recommendations to the council and, because of this group’s presence, **PIZZI** did not believe the matter should be on the agenda. **CANDIA** told UCE 2 the resolution would be placed on the next agenda.

C. Resolution Passes At the May 2013 Miami Lakes Council Meeting

54. On May 14, 2013, the Miami Lakes Council conducted its regular council meeting. The agenda included a resolution authorizing the town attorney to contract with UC company. The resolution was placed on the agenda by Miami Lakes Councilmember B. The regular council meeting was recorded by the Town of Miami Lakes.

55. The recording of the meeting shows that after being called on by **PIZZI**, Councilmember B introduced the resolution and explained how it would authorize UC company to apply for federal grants through AmeriCorps on behalf of Miami Lakes. Councilmember B also indicated the resolution would not cost Miami Lakes any money. **PIZZI** then asked if Councilmember B wanted to move the item; Councilmember B moved the item and it was seconded. **PIZZI** then interrupted and asked, “[Councilmember B], so basically it doesn’t cost us a penny?” Councilmember B responded, “it does not.” After that, the following exchange occurred:

PIZZI And if we get something out of it, it doesn't cost us anything it's only ah?

Councilmember B: It will come out of the grant.

PIZZI: So, in other words, this costs us absolutely nothing. This doesn't cost the town a penny no matter what. Ah, they apply for the grant and if the the grant is successful, we hopefully get a ah benefit without having to spend any town resources?

Councilmember B: Absolutely.

56. **PIZZI** then asked, "all in favor?" The resolution thereafter passed unanimously. Notably, neither the CHS nor the UCEs ever met with Councilmember B regarding the resolution.

X. CANDIA Begins To Cooperate

57. On June 25, 2013, FBI agents approached **CANDIA** and **CANDIA** agreed to cooperate with law enforcement.

58. After agreeing to cooperate, **CANDIA** told law enforcement that **PIZZI** had called him on Friday, June 21, 2013, and requested that he secure \$3,000 for **PIZZI**'s PAC. During this unrecorded call, **PIZZI** asked **CANDIA** to seek the money from the "Chicago guys," a reference to the UCEs, and another of **CANDIA**'s clients. Consistent with **CANDIA**'s statements, telephone records show that **PIZZI** and **CANDIA** had a four minute long telephone communication on Friday, June 21, 2013, at approximately 7:18 pm. **CANDIA** also stated that **PIZZI** called him on Sunday, June 23, 2013, and Monday, June 24, 2013. Telephone records show that **PIZZI** placed telephone calls to **CANDIA** on Sunday, June 23, 2013, and Monday, June 24, 2013.

59. Later on June 25, 2013, **CANDIA** and **PIZZI** spoke on the telephone. This call was recorded. During that call, **CANDIA** told **PIZZI** that he was "trying to accommodate that

um, the money for the PAC – that you had asked me for.” After that, the following conversation occurred:

CANDIA: . . . And I am gonna try and get it from our guys, um from, from our friends –

PIZZI: OK.

CANDIA: -- but they're, they're gonna ask me about the um, the paperwork from, from Miami Lakes, so I don't know, I don't know what to tell them.

PIZZI: No, it's, well, yeah, I mean, you know, yeah, um, one has nothing to do with the other, but the paperwork for Miami Lakes, um, it should get express mailed to them by no later, than, um, Saturday

CANDIA: OK. Can I tell them that?

PIZZI: Yeah you can.

CANDIA: OK. Alright, let me um, let me see if I can get that to you, and I have I have the name of the PAC written down somewhere, I'll let you know when I have it. OK? [The Other client] doesn't have that that kind of – they they just, they don't do that, they can't, they can't do that right now.

After this, **PIZZI** and **CANDIA** said goodbye and the call ended. During this call, **CANDIA**'s reference to the “paperwork” from Miami Lakes, was a reference to the endorsement letter. (Although the resolution permitting the UC company to apply for the grant had been passed, the endorsement letter from Miami Lakes had not yet been provided. As explained previously to **PIZZI**, the endorsement letter was a part of the grant application.)

60. On June 27, 2013, **PIZZI** and **CANDIA** spoke on the telephone again; this call was also recorded. During that call, **CANDIA** asked “Do you still need that money for the PAC?” **PIZZI** responded that there was a “problem,” because he had already “laid out the money himself” and was not sure that he did not know whether “the PAC can get money and then reimburse me.” **CANDIA** then asked, “Do you still want me to talk to the guys?” **PIZZI** responded, that he wanted **CANDIA** to wait, and that he would “call later. The call then ended.

A. CANDIA Makes a \$3,000 Payment to PIZZI

61. On July 1, 2013, **CANDIA**, went to the Medley Town Hall on other business. Prior to going to the Medley town hall, the FBI gave **CANDIA** a recording device and \$3,000 cash contained inside an envelope in the event **CANDIA** met with **PIZZI**. While at the Town Hall, **CANDIA** did in fact meet with **PIZZI**. During the recorded meeting, **PIZZI** told **CANDIA** that "I gotta do the paperwork for the other thing." **CANDIA**, understanding that the "paperwork for the other thing," referred to the endorsement letter for the grant application, asked **PIZZI**, "you want me to give a message or anything?" The following conversation then occurred:

PIZZI: Yeah. When are they coming?

CANDIA: OK.

PIZZI: I wish we could talk to them in person.

CANDIA: OK. I -- they haven't told me when they are coming down, but they wanted me to ask you if you need anything, though.

PIZZI: Yeah, I do.

CANDIA: OK

PIZZI: Of course I do.

CANDIA: OK

PIZZI: How will they get it to me?

CANDIA: Well, um, I, they told me to have something on me in case you needed it 'cause I don't know --

PIZZI: Let's go over here.

CANDIA: The last time you told me –

62. According to **CANDIA**, at this point in the conversation **PIZZI** moved towards a small closet in his office and entered the closet. **CANDIA** also entered the closet. On the recording, which I have reviewed, you can hear what I believe to be the opening of a door. Inside of the closet, the following conversation occurred:

CANDIA: The last time you told me you said needed for your PAC –

PIZZI: Yeah, I did.

CANDIA: And they said, well go ahead and take it and we'll pay you back.

PIZZI: Here, here [UI]. What you got?

[**CANDIA** provided **PIZZI** with the envelope of \$3,000 in cash.]

CANDIA: [UI] that's three.

PIZZI: OK. You did good.

According to **CANDIA**, at this point in the conversation, **PIZZI** and **CANDIA** left the closet. On the recording, which I have reviewed, you can hear what I believe to be the opening of a door. Once outside of the closet, **PIZZI** and **CANDIA** spoke briefly and then **CANDIA** left **PIZZI**'s office.

63. After making the \$3,000 pay-off, **CANDIA** met with FBI agents at a predetermined location. Agents searched **CANDIA** and he did not have the \$3,000 on his person.

64. On July 8, 2013, **PIZZI** and **CANDIA** spoke on the telephone. During the recorded call, **PIZZI** told **CANDIA** he had "mailed out" the endorsement letter.

65. On July 29, 2013, UCE 1 spoke with **PIZZI** on the telephone. This call was not recorded. During the call, **PIZZI** stated that he had signed the letter and had it and the resolution

in his possession. **PIZZI** continued by saying, "I like the work that you are doing" and that there were other cities in the area who also liked what the company was doing.

66. To date, no study, either in draft or final form, has been provided to Medley or Miami Lakes.

CONCLUSION

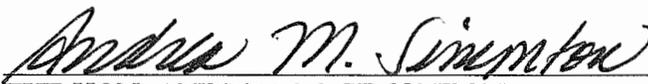
67. Based on the foregoing, your affiant respectfully submits there is probable cause to believe that beginning in or about June 2011 and continuing through June 25, 2013, at Miami-Dade County, in the Southern District of Florida and elsewhere, **MICHAEL A. PIZZI and RICHARD F. CANDIA** did knowingly and willfully combine, conspire, confederate, and agree with each other and others known and unknown to obstruct, delay, and affect commerce and the movement of articles and commodities in commerce, by means of extortion, as the terms "commerce" and "extortion" are defined in Title 18, United States Code, Sections 1951(b)(2) and (b)(3), in that the defendants did plan to obtain United States currency and other property not due to the defendants, from another, with his consent, under color of official right, in violation of Title 18, United States Code, Section 1951(a).

FURTHER AFFIANT SAYETH NAUGHT.

 - FBI

PAUL J. WRIGHT, SPECIAL AGENT, FBI

Sworn and subscribed to before me this 6th day of August, 2013.



THE HON. ANDREA M. SIMONTON
UNITED STATES MAGISTRATE JUDGE