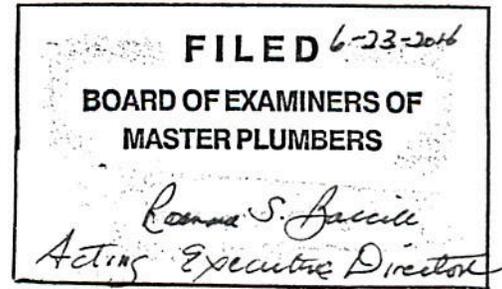


ROBERT LOUGY
ACTING ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 HALSEY STREET, 5th Floor
P.O. Box 45029
NEWARK, NJ 07101
Attorney for the New Jersey State Board of Examiners of Master Plumbers



STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
STATE BOARD OF EXAMINERS OF
MASTER PLUMBERS

IN THE MATTER OF THE SUSPENSION :
OR REVOCATION OF THE LICENSE OF :

: Administrative Action

JOHN R. YOUNGCLAUS :
t/a JRY Plumbing & Heating, Inc. :
License No. 36BI01226300 :

: PROVISIONAL ORDER
: OF DISCIPLINE

TO PRACTICE AS A MASTER :
PLUMBER IN THE STATE :
OF NEW JERSEY :

:

This matter was opened to the New Jersey State Board of Examiners of Master Plumbers (“the Board”) upon receipt of an application for renewal of a plumbing license from John R. Youngclaus, (“Respondent”). The Board has reviewed the application and the available information and makes the following preliminary findings of fact and conclusions of law:

FINDINGS OF FACT

1. Respondent is a licensed Master Plumber in the State of New Jersey and has been licensed at all times relevant hereto. The Board received a renewal application from respondent for the 2015-2017 biennial renewal period. Respondent answered “yes” to the question relating

to “being arrested, charged, or convicted, of any crime or offense since the last renewal.” (Exhibit A, copy of respondent’s 2015-2017 renewal, attached).

2. According to the documentation obtained by the Board, on March 17, 2015, respondent pled guilty to one count of Theft/Embezzlement of U.S. Property in violation of 18 U.S.C. § 641 and §2. Specifically, respondent admitted that he solicited, received and submitted bids from other competing plumbing contractors that were higher than the bids that respondent submitted on behalf of his plumbing company. In an effort to be awarded the contract for Housing and Urban Development (“HUD”) funded rehabilitation projects, respondent created fraudulent bids purporting to be from competing contractors so that his own lower bid would be awarded. In exchange, respondent did the same for his competitors so that they would be awarded contracts for other government projects.. On two other occasion respondent submitted bids from competing contractors for rehabilitation projects on properties that he owned, but was prohibited from performing the work. Respondent performed the work and was paid through collusion with the competing contractors. As a result of his collusion with the other contractors, respondent wrongfully obtained approximately \$224,250 in HUD funded grants between in or about January 2012 and in or about December 2012. (Exhibit B, Copy of Information, dated March 17, 2015, attached). (Exhibit C, Copy of Plea Hearing transcript, dated March 17, 2015, attached).

3. Respondent provided a letter to the Board, via his attorney, dated July 9, 2015. Respondent fully admitted his wrongdoing. He acknowledged obtaining blank bid forms from other contractors, notably his friends, reflected higher bids on these forms, and then submitted them along with respondent’s lower bid for the same work. On two other occasions, respondent admitted he submitted bids from competing contractors for projects at a multifamily apartment

building and a two-family house, both owned by respondent. The lowest bidder was awarded the work, but in order to get paid for work on property owned by respondent, and in which he did the work, the work was done in the other contractor's name. (Exhibit D, copy of letter from respondent's attorney, to the Board, dated July 9, 2015, attached).

4. On December 15, 2015 respondent was sentenced by the United States District Court to 12 months and one day incarceration and 36 months supervised release. He was ordered to repay in full all money he had received, even forfeiting what he was due for expenses related to his work. An amended judgment was entered on January 14, 2016. Respondent's sentence was downgraded to a number beneath the guidelines in consideration of the nature and circumstances of the offense. (Exhibit E, copy of the Judgment in a Criminal Case, dated December 23, 2015, attached). (Exhibit F, copy of transcript of investigative inquiry, pg. 24, 27, 34-35, attached). (Exhibit G, copy of Amended Judgment in a Criminal Case, date January 14, 2016, attached).

5. On January 28, 2016, respondent appeared before the Board for an investigative inquiry. Respondent again acknowledged wrongdoing and expressed remorse. He further explained that he was following the instructions of the director of the granting agency and had not devised the schemes on his own. Respondent also stressed that his winning bids were fairly priced and in accordance with the market rate, and that this was proven before the court. Respondent informed the Board that the sentencing Judge did not regard respondent as an ongoing danger to commit further offenses. Respondent asked the Board for sympathy in allowing him to continue to support his family while providing exemplary service to his customers. (Exhibit F, copy of transcript of investigative inquiry, pgs. 14-16; pgs. 37-38; pgs. 40-42; attached).

CONCLUSIONS OF LAW

1. The above preliminary findings of fact establish a basis for disciplinary action against respondent's license, pursuant to N.J.S.A. 45:1-21(b), in that respondent's conviction involves the use or employment of dishonesty, fraud, deception, misrepresentation, false promise or false pretense. The above preliminary findings of fact also establish a basis for disciplinary action, pursuant to N.J.S.A. 45:1-21 (f), in that respondent has been convicted of, or engaged in acts constituting, a crime or offense involving moral turpitude and relating adversely to the activity regulated by the Board.

ACCORDINGLY, IT IS on this 26 day of MAY, 2016

PROVISIONALLY ORDERED that:

1. Respondent is provisionally reprimanded, pursuant to N.J.S.A. 45:1-22(a), for being convicted of a crime involving moral turpitude and relating adversely to the practice of plumbing, in violation of N.J.S.A. 45:1-21(f), as well as for engaging in the use and employment of dishonesty, fraud, deception, misrepresentation and false pretense, in violation of N.J.S.A. 45:1-21(b).

2. Respondent's license to practice plumbing in the State of New Jersey is hereby provisionally suspended for five (5) years. Three (3) of the five years are to be active with the remaining two (2) years stayed to be served as a probationary period. The three (3) year active suspension shall begin upon the entry date of any final order. The stayed suspension shall be activated upon the Board's receipt of any information, which the Board in its sole discretion deems reliable, demonstrating that respondent has engaged in any violations of the Board's statutes or regulations during the probationary period, or for any violations of this order.

3. Respondent is hereby provisionally assessed a civil penalty in the amount of twenty thousand dollars (\$20,000), pursuant to N.J.S.A. 45:1-22(b), for violating N.J.S.A. 45:1-21(b) and (f). Of that amount, two thousand dollars (\$2,000) is active with the remaining eighteen thousand dollars (\$18,000) stayed. The active portion of the penalty shall be assessed upon the entry date of any final order. The stayed portion of the penalty shall be activated upon the Board's receipt of any information, which the Board in its sole discretion deems reliable, demonstrating that respondent has engaged in any violations of the Board's statutes or regulations during the probationary period; or for any violations of this order. The penalty shall be paid by money order or certified check made out to the "State of New Jersey", or by wire transfer, direct deposit, or credit card payment delivered or mailed to Rosemarie Baccile, Acting Executive Director, Board of Examiners of Master Plumbers, 124 Halsey Street, Sixth Floor, Newark, New Jersey 07101, simultaneous with the entry of any Final Order of Discipline in this matter. In the event respondent fails to make a timely payment, a certificate of debt shall be filed.

4. Respondent is provisionally prohibited from retaining any ownership interest in a plumbing company during the course of the active suspension period.

5. Respondent's license to engage as a master plumber shall provisionally remain suspended, and shall not be reinstated, unless and until Respondent appears before the Board and is approved by the Board for reinstatement.

6. The within Order shall be subject to finalization by the Board at 5:00 p.m. on the 30th business day following entry hereof unless respondent requests a modification or dismissal of the above stated Findings of Fact or Conclusions of Law by:

a) Submitting a written request for modification or dismissal to Rosemarie Baccile, Acting Executive Director, New Jersey Board of Examiners of Master Plumbers, 124 Halsey Street, Sixth Floor, Newark, New Jersey 07101.

b) Setting forth in writing any and all reasons why said findings and conclusions should be modified or dismissed.

c) Submitting any and all documents or other written evidence supporting respondent's request for consideration and reasons therefor or offered in mitigation of penalty.

7. Any submissions will be reviewed by the Board, and the Board will thereafter determine whether further proceedings are necessary. If no material discrepancies are raised through a supplemental submission during the thirty-day period, or if the Board is not persuaded that submitted materials merit further consideration, a Final Order of Discipline will be entered.

8. In the event that respondent's submissions establish a need for further proceedings, including, but not limited to, an evidentiary hearing, respondent shall be notified with regard thereto. In the event that an evidentiary hearing is ordered, the preliminary Findings of Fact and Conclusions of Law contained therein shall serve as notice of the factual and legal basis for the denial of license.

NEW JERSEY BOARD OF EXAMINERS OF
MASTER PLUMBERS

By: 
Peter I. Voros
Board Chairman

EXHIBIT A

Basics Home Page

Renewal Questions for License Number 36BI01226300



License Type	Sort Name	Question	Answer	Date
Master Plumber	Youngclaus, John R	1) Will you have completed the required continuing education courses by June 30, 2015?	Y	6/9/2015
Master Plumber	Youngclaus, John R	2) Are you a bona fide representative with at least 10% ownership of a plumbing company?	Y	6/9/2015
Master Plumber	Youngclaus, John R	3) Do you have the required \$3,000 surety bond (enter details here)? HELP	Y	6/9/2015
Master Plumber	Youngclaus, John R	4) Are you a citizen or permanent resident of the United States? If you are not a citizen or permanent resident, you will be required to submit documentation of your immigration status to the Board Office at the next renewal of your license/certification. HELP	Y	6/9/2015
Master Plumber	Youngclaus, John R	5) Since your last renewal have you been arrested, charged or convicted of any crime or offense that you have not already reported to your board/committee? (Minor traffic offenses, such as speeding or parking need not be provided but Motor Vehicle offenses such as driving while impaired or intoxicated must be disclosed.)	Y	6/9/2015
Master Plumber	Youngclaus, John R	6) Since your last renewal has any action been taken or is any action now pending against your professional license or have you been permitted to surrender or otherwise relinquish your license to avoid inquiry, investigation or action by any other licensing authority that you have not already reported to your board/committee?	N	6/9/2015
Master Plumber	Youngclaus, John R	Bond Company:	Western Surety Company	6/9/2015
Master Plumber	Youngclaus, John R	Bond Company Address:	PO Box 957312, St Louis MO, 63195-7312	6/9/2015
Master Plumber	Youngclaus, John R	Bond Number:	61685632	6/9/2015
Master Plumber	Youngclaus, John R	Bond Issue Date: {mm\dd\yyyy}	07/01/2015	6/9/2015
Master Plumber	Youngclaus, John R	Bond Expiration Date: {mm\dd\yyyy}	06/30/17	6/9/2015
Master Plumber	Youngclaus, John R	Bond Amount:	3000.00	6/9/2015

EXHIBIT B

RECEIVED

2013R00968/JSP & SGS

MAR 17 2015

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

AT 8:30
WILLIAM T. WALSH
CLERK

UNITED STATES OF AMERICA	:	Hon. <i>Peter G. Sheridan</i>
	:	
v.	:	Criminal No. <i>15 131 (PGs)</i>
	:	
JOHN YOUNGCLAUS	:	18 U.S.C. §§ 641, 981(a)(1)(c) and 2
	:	28 U.S.C. § 2461(c)

INFORMATION

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:

a. Defendant JOHN YOUNGCLAUS ("defendant YOUNGCLAUS"), was the owner of JRY Plumbing & Heating, Inc. ("JRY"), a company located in Bayonne, New Jersey.

b. The City of Bayonne Department of Community Development ("CBD CD") was a government agency that received funds from the United States Department of Housing and Urban Development ("HUD") under a federal program that provided grants to low income families to rehabilitate their homes and to repair conditions that were considered to affect their health and safety, and their homes' accessibility, energy efficiency or code compliance, up to an amount of \$20,000 per grant. The CBD CD also provided these HUD funds under the same federal program to nonprofit organizations to rehabilitate their facilities and to repair conditions that were considered to affect their health and safety, and their facilities' accessibility, energy efficiency or code compliance.

2. The CBD CD selected contractors for the HUD funded rehabilitation grants through a competitive bidding process that required contractors to submit independent bids comprised of estimated price quotes for the proposed scope of work, without knowledge of the estimated price quotes of competing contractors. The CBD CD selected the lowest bidder for particular applications.

~~3. Between in or about January 2012 and in or about December 2012,~~
defendant YOUNGCLAUS solicited, received and submitted bids from competing contractors that were higher than the bids that defendant YOUNGCLAUS submitted to the CBD CD on behalf of JRY. In at least one instance, defendant YOUNGCLAUS received blank invoices from a competing contractor and defendant YOUNGCLAUS wrote the job details and price quote on the blank invoice and submitted the fraudulent bid along with a lower bid from JRY to the CBD CD. As a result of defendant YOUNGCLAUS's conduct, JRY was designated the plumbing contractor on the corresponding HUD funded grant projects.

4. On at least two occasions between in or about January 2012 and in or about December 2012, defendant YOUNGCLAUS submitted bids from two competing contractors to the CBD CD for rehabilitation projects at a multifamily apartment building and a two-family house in Bayonne that defendant YOUNGCLAUS owned. The CBD CD awarded the work on the corresponding jobs to the contractor with the lowest bid, however, JRY performed the work and received the payment for the work through collusion with the competing contractor.

5. As a result of defendant YOUNGCLAUS colluding with other contractors, JRY wrongfully obtained approximately \$224,250 in HUD grant funds from the CBD CD between in or about January 2012 and in or about December 2012.

6. Between in or about January 2012 and in or about December 2012, in the District of New Jersey and elsewhere, defendant

JOHN YOUNGCLAUS

did knowingly embezzle, steal, purloin, and convert to his own use and the use of others, money of HUD, a department and agency of the United States, that is, approximately \$224,250 in grant funds to which he and others were not entitled.

In violation of Title 18, United States Code, Section 641 and Section 2.

FORFEITURE ALLEGATION

1. The allegations contained in this Information are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 28, United States Code, Section 2461(c).

2. Upon conviction of the offense in violation of Title 18, United States Code, Section 641 set forth in this Information, defendant

JOHN YOUNGCLAUS

shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all property, real or personal, that constitutes or is derived from proceeds traceable to this offense. The property to be forfeited is money in the amount of \$224,250.

3. If by any act or omission of defendant YOUNGCLAUS, any of the property subject to forfeiture described in paragraph 2 herein:

- a) cannot be located upon the exercise of due diligence;
- b) has been transferred or sold to, or deposited with, a third party;
- 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 which cannot be divided without difficulty;

the United States of America will be entitled to forfeiture of substitute property up to the value of the property described above in paragraph 2, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

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

Paul J. Fishman/rah

PAUL J. FISHMAN
United States Attorney

EXHIBIT C

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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA

Vs.
JOHN YOUNGC LAUS,
DEFENDANT

CRIMINAL NO.
15-131 (PGS)

MARCH 17, 2015
CLARKSON S. FISHER COURTHOUSE
402 EAST STATE STREET
TRENTON, NEW JERSEY 08608

B E F O R E: THE HONORABLE PETER G. SHERIDAN
U.S. DISTRICT COURT JUDGE
DISTRICT OF NEW JERSEY

A P P E A R A N C E S:

PAUL J. FISHMAN, U.S. ATTORNEY
BY: JACQUES S. PIERRE, ESQUIRE
STEVEN G. SANDERS, ESQUIRE
ASSISTANT U.S. ATTORNEYS
FOR THE GOVERNMENT

GIBBONS, PC
BY: LAWRENCE S. LUSTBERG, ESQUIRE
LAURIE A. KELLY, ESQUIRE
FOR THE DEFENDANT

PLEA HEARING

Certified as true and correct as required
by Title 28, U.S.C. Section 753
/S/ Francis J. Gable
FRANCIS J. GABLE, C.S.R., R.M.R.
OFFICIAL U.S. REPORTER
(856) 889-4761

1 THE COURT: This is the United States v. Youngclaus;
2 is that right?

3 MR. LUSTBERG: Yes, your Honor.

00:00 4 THE COURT: All right. Could we enter appearances
5 please? We'll start with the Government.

6 MR. PIERRE: Yes, your Honor, Jacques Pierre,

7 Assistant United States Attorney for the Government. Good
8 afternoon.

9 THE COURT: Good afternoon, sir.

00:00 10 MR. SANDERS: Good afternoon, David G. Sanders on
11 behalf of the United States.

12 THE COURT: Good afternoon, Mr. Sanders.

13 For the defendant?

14 MR. LUSTBERG: Good afternoon, Judge, Lawrence S.
00:00 15 Lustberg, Gibbons, PC, on behalf of the defendant John
16 Youngclaus, and Mr. Youngclaus is here.

17 MS. KELLY: Hi, Laurie A. Kelly from Gibbons, PC, as
18 well. Thank you.

19 THE COURT: Good afternoon.

00:00 20 So, you may be seated. Since this is a plea,
21 there's a few ground rules I need to go over before we begin.
22 So, Mr. Youngclaus, before answering the questions, there's a
23 few ground rules you should know, after Dolores swears you in.

24 JOHN YOUNGCLAUS, sworn.

00:01 25 THE DEPUTY CLERK: State your name for the record.

1 THE DEFENDANT: John Youngclaus.

2 THE COURT: All right. So, the ground rules that
3 you need to be aware of, Mr. Youngclaus, first, if you can't
4 hear my question, please advise me and I'll speak up. If you
5 don't understand one of my questions, let me know that and
6 I'll rephrase it so that it can be understood by you. The

7 third thing you should know is you can't shake or nod your
8 head in response to any question, because my court reporter,
9 Frank, is taking everything we say down word-for-word. And so
10 each response needs to be made verbally; if you shake your
11 head or nod your head, then Frank has no way of recording
12 that. Do you understand that?

13 THE DEFENDANT: I understand, your Honor.

14 THE COURT: You also should know that you're under
15 oath, and if you answer any questions falsely, those answers
16 may be used against you at a later time in a separate
17 prosecution for perjury or making a false statement. Do you
18 understand that?

19 THE DEFENDANT: I understand, your Honor.

20 THE COURT: And the penalty for perjury could lead
21 to a jail sentence. Do you understand that?

22 THE DEFENDANT: I understand, your Honor.

23 THE COURT: So, the reason for those questions is
24 just to remind you that you need to answer truthfully. Do you
25 understand that?

1 THE DEFENDANT: I understand.

2 THE COURT: Mr. Youngclaus, you understand English;
3 correct?

4 THE COURT: Yes, I do, your Honor.

00:02 5 THE COURT: Please state your age.

6 THE DEFENDANT: 44.

7 THE COURT: How many years of school have you
8 completed?

9 THE DEFENDANT: High school, two years of community
00:02 10 college.

11 THE COURT: And have you taken any drugs, medicine
12 or consumed any alcoholic beverages in the past 12 hours?

13 THE DEFENDANT: No, I haven't, your Honor.

14 THE COURT: Okay. And are you suffering from any
00:03 15 illness, either mental or physical, which may affect your
16 judgment?

17 THE DEFENDANT: No, I'm not, your Honor.

18 THE COURT: And do you understand and appreciate
19 that you are here today to enter a plea of guilty and to
00:03 20 review a plea agreement; do you understand that?

21 THE DEFENDANT: I understand, your Honor.

22 THE COURT: And you've reviewed that with your
23 attorneys; right?

24 THE DEFENDANT: Yes, I have, your Honor.

00:03 25 THE COURT: And you understand the nature of this

1 proceeding then; correct?

2 THE DEFENDANT: Yes, I do, your Honor.

3 THE COURT: And since you have discussed this case
4 with your attorneys, you are satisfied with their services to
5 date?

00:03 6 THE DEFENDANT: Yes, I am, your Honor.

7 THE COURT: Mr. Lustberg, do you have any doubt as
8 to your client's competence to plea today?

9 MR. LUSTBERG: No, your Honor.

00:03 10 THE COURT: All right. So, based on the facts
11 established on the record today, I find that Mr. Youngclaus is
12 competent to enter a plea.

13 Now, Mr. Pierre, we are moving forward on an
14 information that's one count; is that right?

00:04 15 MR. PIERRE: Yes, your Honor.

16 THE COURT: Okay, thank you.

17 So, Mr. Youngclaus, you've received a copy of the
18 information in this matter?

19 THE DEFENDANT: Yes, I have, your Honor.

00:04 20 THE COURT: Do you understand that you have a right
21 to be charged by indictment instead of by information?

22 THE DEFENDANT: Yes, I do.

23 THE COURT: Do you further understand that unless
24 you waive the right to be charged by an indictment, you cannot
00:04 25 be charged with this offense until a grand jury finds by

1 return of indictment that there is probable cause that a crime
2 has been committed and that you committed it; do you
3 understand that?

4 THE DEFENDANT: I do understand, your Honor.

00:04

5 THE COURT: Now, you should understand that a grand
6 jury is composed of at least 16, but not more than 23 persons,
7 and at least 12 grand jurors must find probable cause to

8 believe that you committed the crime with which you are
9 charged before you can be indicted; do you understand that?

00:05

10 THE DEFENDANT: I do, your Honor.

11 THE COURT: Do you understand that a grand jury may
12 or may not indict you for the same offense, or they may indict
13 you for some other offense; do you understand that?

14 THE DEFENDANT: I understand, your Honor.

00:05

15 THE COURT: Now, if you waive the indictment by the
16 grand jury, this case can proceed against you by the
17 information just as if you had been indicted; do you
18 understand that?

19 THE DEFENDANT: I understand, your Honor.

00:05

20 THE COURT: Now, you've discussed this waiver of
21 indictment with your attorneys?

22 THE DEFENDANT: Yes, I have, your Honor.

23 THE COURT: And you understand that you have a right
24 to indictment by a grand jury; do you understand that?

00:05

25 THE DEFENDANT: I understand.

1 THE COURT: Now, has anyone threatened you or
2 promised you anything in order to induce you to waive the
3 right to an indictment?

4 THE DEFENDANT: No, they haven't, your Honor.

00:05 5 THE COURT: And do you wish to waive your right to
6 indictment today?

7 THE DEFENDANT: Yes, yes.

8 THE COURT: Mr. Lustberg, do you know of any reason
9 why your client should not waive the indictment?

00:05 10 MR. LUSTBERG: No, your Honor. And for the record
11 Mr. Youngclaus has executed a waiver of indictment form. I
12 can ask -- Mr. Youngclaus, I'm showing you a document entitled
13 waiver of indictment, in the middle of the page it says John
14 Youngclaus; is that your signature?

00:06 15 THE DEFENDANT: Yes.

16 MR. LUSTBERG: And did you sign that here in court
17 today?

18 THE DEFENDANT: Yes, I did.

19 THE COURT: Please bring it forward. Thank you.

00:06 20 MR. LUSTBERG: And I executed it as well, Judge.

21 THE COURT: All right, thank you.

22 So, I find that the defendant has waived his right
23 to indictment. It's obvious to me he understood the questions
24 I put to him, and he has answered responsively, and I have no
00:06 25 doubt at this time his waiver of indictment was intelligently,

1 knowingly and voluntarily made. And I'm executing the waiver
2 of indictment form.

00:07 3 Now, before I ask you to plea to the charge set
4 forth in the information, Mr. Youngclaus, you have a right to
5 have me read it to you in open court. If you understand the
6 charge set forth in the information, however, you may waive
7 the necessity of my reading it to you. Do you wish me to read
8 it, or do you waive the reading?

9 THE DEFENDANT: I wish to waive it.

00:07 10 THE COURT: All right, thank you.

11 So, Mr. Youngclaus, are you prepared to plea to the
12 charge set forth in the information?

13 THE DEFENDANT: Yes, I am.

00:07 14 THE COURT: Is there a written application for
15 permission to enter a plea of guilty?

16 MR. LUSTBERG: Yes, your Honor.

17 THE COURT: Could you show it to your client and
18 have him verify his signature?

19 MR. LUSTBERG: Of course, Judge.

00:07 20 Mr. Youngclaus, I'm showing you a document entitled
21 application for permission to enter a plea of guilty. And I'm
22 directing your attention to page 7, and ask you, did you
23 execute that here in court today?

24 THE DEFENDANT: Yes, I did.

00:08 25 MR. LUSTBERG: And that's your signature?

1 THE DEFENDANT: That's my signature.

2 MR. LUSTBERG: And with regard to all of the other
3 information that's in here, did you provide that to your
4 attorneys, Ms. Kelly and me, and are all the answers there
5 true?

00:08

6 THE DEFENDANT: Yes, correct.

7 THE COURT: All right. Could you please bring it
8 forward?

9 MR. LUSTBERG: Let me just page -- originally I had
10 the date from the last time we were supposed to be here.

00:08

11 THE COURT: I see. So, you are just changing date
12 to March 17th.

13 MR. LUSTBERG: It would have been February 20th, the
14 Court may recall that was when we were originally scheduled.

00:08

15 THE COURT: Right.

16 MR. LUSTBERG: I'm handing it up to the Court at
17 this time.

18 THE COURT: All right, thank you.

19 So, Mr. Youngclaus, with regard to the information,
20 it contains one count, how do you plea?

00:08

21 THE DEFENDANT: Guilty.

22 THE COURT: Now, did you enter this plea of guilty
23 on your own free will?

24 THE DEFENDANT: Yes, I have.

00:09

25 THE COURT: And has anyone, such as your attorney,

1 or anyone from the Government, threatened you in any way or
2 induced you in some fashion to have you enter this plea of
3 guilty?

4 THE DEFENDANT: No, they haven't, your Honor.

00:09 5 THE COURT: All right. So, now I'm going to go
6 through some questions dealing with other matters, Mr.

7 Youngclaus. The first question is about the constitutional
8 rights that you're waiving as a result of entering this plea.
9 Do you understand that you have an absolute right to remain
00:09 10 silent and not to incriminate yourself, and by entering this
11 plea of guilty today you are waiving that right?

12 THE DEFENDANT: I understand.

13 THE COURT: Do you understand that you have an
14 absolute constitutional right to persist in your plea of not
00:09 15 guilty and to go to trial on this information, and by entering
16 this plea of guilty today you are waiving that right; do you
17 understand that?

18 THE DEFENDANT: Yes, I do, your Honor.

19 THE COURT: Do you understand if you were to persist
00:09 20 in your plea of not guilty, you would go to trial before this
21 Court and a jury; do you understand that?

22 THE DEFENDANT: I understand, your Honor.

23 THE COURT: Do you understand that the effect of
24 your plea of guilty is a waiver of trial, that is, you give up
00:10 25 your right the trial, and the next event of importance with

1 regard to this case would be the imposition of a sentence; do
2 you understand that?

3 THE DEFENDANT: I understand, your Honor.

4 THE COURT: Do you further understand that your plea
5 of guilty has the same legal effect as though you were found
6 guilty by a jury?

7 THE DEFENDANT: I understand, your Honor.

8 THE COURT: Now, if you elected to go to trial, do
9 you understand that you would be tried by a jury of 12
10 citizens, and before you can be found guilty of the charge set
11 forth in the information, a jury would have to agree by a vote
12 of 12 to zero that you were in fact guilty; do you understand
13 that?

14 THE DEFENDANT: I understand, your Honor.

15 THE COURT: Do you further understand that at trial
16 you are presumed to be innocent, and the jury would be
17 instructed by me of the existence of such a presumption, which
18 acts in your favor until such time as the Government proves
19 your guilt by competent evidence to the satisfaction of a
20 jury, beyond a reasonable doubt; do you understand that?

21 THE DEFENDANT: I understand, your Honor.

22 THE COURT: Do you further understand that at trial
23 the Government bears the entire burden of proof, you do not
24 have to prove or disprove anything, there is no requirement
25 for you to prove your innocence so to speak. Therefore, if

1 you did not testify, if you did not call a witness, and if you
2 did not put on any evidence whatsoever, no adverse inference
3 could be drawn by the jury against you for such failure; do
4 you understand that?

00:11 5 THE DEFENDANT: I understand, your Honor.

6 THE COURT: I also want you to know you could
7 testify on your own behalf at trial if you so elected, and you
8 could call witnesses and produce exhibits and documents in
9 support of any defense that you may have; do you understand
10 that you are waiving that right by pleading guilty?

00:11 11 THE DEFENDANT: I understand, your Honor.

12 THE COURT: Now, at trial the Government must
13 confront you in open court with the testimony under oath of
14 the witnesses upon whom it would rely to obtain your
15 conviction; do you understand that you're waiving that right
16 by pleading guilty?

00:11 17 THE DEFENDANT: I understand, your Honor.

18 THE COURT: Now, do you further understand that your
19 attorneys will be with you at trial to represent you, and they
20 could participate in the selection of the jury, make an
21 opening statement and a closing argument to the jury, and they
22 could cross-examine the Government's witnesses, and assist you
23 in presenting any defense that you may have, and you're
24 waiving that right by pleading guilty; do you understand that?

00:12 25 THE DEFENDANT: I understand, your Honor.

1 THE COURT: Now, part of that -- and we have already
2 gone over it before -- is you have a right to confront and
3 question your accusers by having your attorney cross-examine
4 such witnesses against you, and by entering this plea of
5 guilty you're waiving that right; do you understand that?

00:12

6 THE DEFENDANT: I understand, your Honor.

7 THE COURT: You also have a right to compel
8 witnesses to appear at trial on your behalf, and if necessary
9 the Court would issue subpoenas to make certain they were
10 present at trial, by entering a plea of guilty today you are
11 waiving that right; do you understand that?

00:12

12 THE DEFENDANT: I understand, your Honor.

13 THE COURT: You also have the right to contest the
14 reasonableness of any search or seizure if one was conducted
15 in this case, and by pleading guilty you are giving up that
16 right; do you understand that?

00:13

17 THE DEFENDANT: I understand, your Honor.

18 THE COURT: Now, if you've made any statements or
19 confessions to law enforcement officials, you may have a right
20 to a hearing before trial to determine whether any of those
21 statements that you made were voluntary, and whether any of
22 those statements may be used in evidence against you; do you
23 understand that?

00:13

24 THE DEFENDANT: I understand, your Honor.

25 THE COURT: So, by entering this plea of guilty you

00:13

1 are waiving that right; do you understand that?

2 THE DEFENDANT: I understand, your Honor.

3 THE COURT: So, do you understand that it would be
4 the obligation of the Government to prove your guilt beyond a
5 reasonable doubt at trial?

00:13

6 THE DEFENDANT: I understand.

7 THE COURT: Now, those are all the constitutional
8 rights that you possess and you are waiving or giving them up
9 by pleading guilty; do you understand that?

00:13

10 THE DEFENDANT: I understand, your Honor.

11 THE COURT: And Mr. Youngclaus, you're an American
12 citizen?

13 THE DEFENDANT: That's correct, your Honor.

14 THE COURT: Citizen of the United States I should
15 say.

00:13

16 THE DEFENDANT: Yes, your Honor.

17 THE COURT: So, do you understand that the offense
18 to which you pleading is a felony offense, and if your plea is
19 accepted you will be adjudged guilty of that offense, and such
20 adjudication may deprive you of valuable civil rights, such as
21 the right to vote, the right to hold public office, the right
22 to serve on a jury and the right to possess any kind of
23 firearm; do you understand that?

00:14

24 THE DEFENDANT: I understand, your Honor.

00:14

25 THE COURT: Mr. Pierre, is there a plea agreement in

1 this case?

2 MR. PIERRE: Yes, there is, your Honor, dated
3 September 8th, 2014.

4 THE COURT: So could you please the terms of the
5 agreement on the record please?

6 MR. PIERRE: Certainly, your Honor. I'll try and
7 summarize the plea agreement. The plea agreement that's dated
8 September 8, 2014, defendant Youngclaus has agreed to plead
9 guilty to a one count information, which charges him with one
10 -- with theft of funds belonging to the United States
11 Department of Housing and Urban Development in, violation of
12 Title 18 United States Code, Section 641 and Section 2.

13 In exchange the Government agrees to decline any
14 further prosecution of the defendant, related to the criminal
15 charges against Mr. Youngclaus related to his involvement in
16 the theft of HUD funds from the City of Bayonne, from in or
17 about January 2012 through in or about December 2012. The
18 plea agreement outlines the maximum penalties associated with
19 the charged offense, which has a statutory maximum term of
20 imprisonment of 10 years, and a statutory maximum fine of
21 \$250,000 or twice the gross amount of any pecuniary gain that
22 any person derived from the offense, or twice the gross amount
23 of any pecuniary loss sustained by any victims of the offense.

24 The plea agreement also outlines a special
25 assessment of \$100, and a maximum period of three years of

00:15 1 supervised release. As part of the plea agreement the parties
2 have agreed to certain stipulations; specifically that the
3 total offense level pursuant to the United States Sentencing
4 Guidelines is 17. Additionally, the defendant agrees to waive
5 any appeal or collateral attack on his sentence if the
6 sentence imposed falls within the guidelines range of 17 or
7 lower.

00:16 8 The parties further agree that the plea agreement is
9 not binding on this Court, and is only between the U.S.
10 Attorney's Office and the defendant, and does not include
11 other federal, state or local authorities. This plea
12 agreement also supersedes all prior agreements, and no
13 conditions, agreements or promises have been made or will be
14 made unless set forth in writing and signed by the parties.
00:16 15 And that's generally the entire agreement, your Honor.

16 THE COURT: Is there any waiver of appeal?

17 MR. PIERRE: There is. There's a waiver of appeal
18 if the sentence that is imposed ultimately is -- falls within
19 the guideline range of 17 or lower.

00:16 20 THE COURT: Okay. And Mr. Lustberg, does that
21 comport with your understanding of the full terms of the plea
22 agreement?

23 MR. LUSTBERG: With one just minor, although
24 significant to us, addition, which is Mr. Youngclaus has
00:16 25 specifically preserved his right to argue for a variance to a

1 sentence beneath the guidelines range.

2 THE COURT: All right. And you agree with that, Mr.
3 Pierre?

4 MR. PIERRE: Yes, your Honor, I unintentionally
5 omitted that.

6 THE COURT: Okay.

7 MR. PIERRE: And also, your Honor, just to point out
8 that the information in the plea agreement also set forth
9 restitution amounts and amount for forfeiture as well.

10 THE COURT: All right. Do you wish to go over
11 those?

12 MR. PIERRE: Not at this time, your Honor.

13 THE COURT: All right. You're okay with that, Mr.
14 Lustberg?

15 MR. LUSTBERG: Yes, Judge, they're clear from the
16 terms of the plea agreement.

17 THE COURT: All right. So, more importantly, Mr.
18 Youngclaus, does that recitation by the U.S. Attorney, plus
19 Mr. Lustberg's addition, comply with your understanding of the
20 full terms of the plea agreement?

21 THE DEFENDANT: Yes, it does, your Honor.

22 THE COURT: Okay. And who has the plea agreement?

23 MR. LUSTBERG: I have the original, Judge.

24 THE COURT: So, could you verify your client's
25 signature on the last page then bring it forward?

1 MR. LUSTBERG: Mr. Youngclaus, directing your
2 attention to a letter dated September 8th, 2014, which Mr.
3 Pierre mentioned, in particular page 6 of the plea agreement,
4 which has the date of October 16th, 2014; is that your
5 original signature?

00:17

6 THE DEFENDANT: That's my signature, yes.

7 MR. LUSTBERG: And I have signed as well beneath,
8 your Honor.

9 THE COURT: All right, thank you.

00:18

10 MR. LUSTBERG: I'll hand it up at this time.

11 THE COURT: Okay, thank you.

12 So, Mr. Youngclaus, did you review the plea
13 agreement with your attorneys prior to signing it?

14 THE DEFENDANT: Yes, I have, your Honor.

00:18

15 THE COURT: And you read it before you signed it;
16 right?

17 THE DEFENDANT: Yes, I have, your Honor.

18 THE COURT: And you understood the terms of the plea
19 agreement before signing it; right?

00:18

20 THE DEFENDANT: Yes, I have, your Honor.

21 THE COURT: Are there any questions that you have
22 about the plea agreement at the present time that we can
23 answer for you?

24 THE DEFENDANT: No, your Honor.

00:18

25 THE COURT: So, Mr. Pierre, can we window just go

1 through that waiver of appeal one more time?

2 MR. PIERRE: Certainly, your Honor. The waiver of
3 appeal in the plea agreement is set forth on page 8 of the
4 agreement, and essentially, your Honor, the defendant has
5 waived his right to appeal the sentence if that sentence falls
6 within the guideline range of 17 or below.

7 THE COURT: All right. And how about the
8 Government, do you waive your right to appeal?

9 MR. PIERRE: I'm sorry, your Honor, yes, the
10 Government does waive its right to appeal if the sentence
11 falls within the guideline range of 17 or above.

12 THE COURT: All right. And Mr. Lustberg, does that
13 comport with your understanding of the full terms of the
14 waiver of appeal?

15 MR. LUSTBERG: Yes, it does, Judge Sheridan.

16 THE COURT: And you reviewed that with your client?

17 MR. LUSTBERG: Very carefully, yes, your Honor.

18 THE COURT: So, Mr. Youngclaus, do you understand
19 that in some circumstances you or the Government may have the
20 right to appeal any sentence that I impose?

21 THE DEFENDANT: I understand, your Honor.

22 THE COURT: And do you understand that in the
23 absence of a waiver the law permits every defendant, including
24 yourself, to file an appeal of a conviction or sentence, if
25 you believe there's been an error?

1 THE DEFENDANT: I understand, your Honor.

2 THE COURT: Do you understand that in the absence of
3 a waiver you have a right, if you believe there has been an
4 error, to file a collateral challenge to your conviction or
00:20 5 sentence under a federal statute; do you understand that?

6 THE DEFENDANT: I understand, your Honor.

7 THE COURT: So, do you understand that you are
8 giving up the right to appeal or otherwise challenge your
9 sentence under certain circumstances set forth in the plea
00:20 10 agreement; do you understand that?

11 THE DEFENDANT: I understand, your Honor.

12 THE COURT: Now, I know you've reviewed that with
13 your attorneys, and are you satisfied with their explanation
14 of the waiver?

00:20 15 THE DEFENDANT: Yes, I am, your Honor.

16 THE COURT: And you understand it; correct?

17 THE DEFENDANT: Yes, I do, your Honor.

18 THE COURT: So, Mr. Lustberg, have you reviewed with
19 your client the worse case sentencing scenario?

00:20 20 MR. LUSTBERG: I have, Judge.

21 THE COURT: All right. So, Mr. Pierre is this -- I
22 have that he violated Section 1347, but is that indirect, is
23 it supposedly 1341?

24 MR. PIERRE: 641, your Honor.

00:21 25 THE COURT: So, it's mail fraud; is that right?

1 MR. PIERRE: No, we're talking theft of government
2 funds, 641.

3 THE COURT: You better go through that with me, I
4 might have the wrong notes. So, could you state the violation
5 with which Mr. Youngclaus is charged and set forth the maximum
6 sentence?

7 MR. PIERRE: Certainly. As written in the
8 information, defendant Youngclaus is charged with violating
9 Title 18, Section 641. Specifically, the information reads,
10 between in or about January 2012 and in or about December 2012
11 in the District of New Jersey and elsewhere, the defendant
12 John Youngclaus did knowingly embezzled, steal, purloin, and
13 convert to his own use and the use of others, money of the
14 United States Department of Housing and Urban Development, a
15 department and agency of the United States, that is,
16 approximately \$224,000 -- I'm sorry; \$224,250 in grant funds
17 to which he and others were not entitled, in violation of
18 Title 18 United States Code, Section 641 and Section 2.

19 As discussed earlier the maximum penalties for
20 violating 18 U.S.C. 641 is a statutory maximum penalty of 10
21 years imprisonment, and a statutory maximum fine of \$250,000,
22 or twice the pecuniary gain or pecuniary loss, your Honor.

23 THE COURT: All right, thank you.

24 So, Mr. Youngclaus, do you understand that the
25 violation of Title 18 United States Code 641 is the violation

1 with which you are charged; do you understand that?

2 THE DEFENDANT: I understand, your Honor.

3 THE COURT: And that's theft of government property,
4 as I understand it, and this subjects you to a maximum
5 sentence of -- a maximum term of imprisonment of 10 years, and
6 a maximum fine of \$250,000 or twice the gross amount of any

7 pecuniary gain that any person derived from the offense, or
8 twice the gross amount of any pecuniary loss sustained by any
9 victims of the offense; do you understand that?

10 THE DEFENDANT: I understand, your Honor.

11 THE COURT: And Mr. Lustberg, you went over that
12 with your client; correct?

13 MR. LUSTBERG: Yes, Judge.

14 THE COURT: All right, thank you. So, do you
15 understand, Mr. Youngclaus, under the Sentencing Reform Act of
16 1984, the United States Sentencing Commission has issued
17 guidelines which are now advisory for judges to follow in
18 determining the sentence in a criminal case; have you
19 discussed those guidelines with your attorney?

20 THE DEFENDANT: Yes, I have, your Honor.

21 THE COURT: Do you understand that although the
22 statute under which you charged sets forth the maximum
23 sentence, it is the sentencing guidelines that will be used to
24 determine your actual sentence; do you understand that?

25 THE DEFENDANT: I understand, your Honor.

1 THE COURT: Do you understand that you cannot in any
2 event be sentenced to a sentence greater than the statutory
3 maximum; do you understand that?

4 THE DEFENDANT: I understand, your Honor.

00:24 5 THE COURT: Now, are you aware that the sentencing
6 guidelines require the Court to take into account the actual
7 conduct in which you engaged, consider the victims of your
8 offense, the role that you played, and whether or not you have
9 engaged in any obstruction of justice or have accepted
10 responsibility for your acts; do you understand that?

11 THE DEFENDANT: I understand, your Honor.

12 THE COURT: Do you understand that your criminal
13 history is an important factor in applying the sentencing
14 guidelines?

00:24 15 THE DEFENDANT: Yes, I do, your Honor.

16 THE COURT: Do you understand that the Court has the
17 right in certain circumstances to impose a sentence that
18 either more or less severe than called for in the sentencing
19 guidelines?

00:24 20 THE DEFENDANT: Yes, I do, your Honor.

21 THE COURT: Now, there are stipulated facts set
22 forth in the plea agreement that you and the United States
23 Attorney's Office have agreed upon, and I just wish to advise
24 you that these stipulated facts that are contained in the plea
00:25 25 agreement are not binding upon me, and they are not binding

1 upon the probation officer who will be conducting a
2 presentence investigation and preparing a presentence report
3 in this case; do you understand that?

4 THE DEFENDANT: Yes, I do, your Honor.

00:25

5 THE COURT: Now, the federal probation officer over
6 the next two or three months will investigate the facts of the
7 case and prepare a presentence report for all of us to use at
8 the time of sentencing; do you understand that?

9 THE DEFENDANT: Yes, I do, your Honor.

00:25

10 THE COURT: Now, the federal officer may make some
11 different determinations than what the stipulations that are
12 set forth in the plea agreement contain; do you understand
13 that?

14 THE DEFENDANT: Yes, I do, your Honor.

00:25

15 THE COURT: Now, in other words, the probation
16 officer is not bound by the stipulations, he undertakes his
17 own investigation and he makes his own determination; do you
18 understand that?

19 THE DEFENDANT: Yes, I do, your Honor.

00:26

20 THE COURT: While I'm on the topic, once the
21 probation officer has completed his investigation, the
22 probation officer will prepare a draft presentence report, and
23 that will be sent to both the United States Attorney and to
24 your attorneys for review. In turn your attorneys will review
25 it with you at that time; do you understand that?

00:26

1 THE DEFENDANT: Yes, I do, your Honor.

2 THE COURT: Now, in that report the probation
3 officer will set forth what he believes the facts to be, and
4 he'll undertake his own calculation as to what he believes the
00:26 5 federal sentencing guidelines should be in the case; do you
6 understand that?

7 THE DEFENDANT: Yes, I do, your Honor.

8 THE COURT: Now, you may or may not agree with the
9 determinations of the probation officer, and if in
00:26 10 consultation with your attorney you have disagreements or
11 objections to the determinations of the probation officer,
12 then you have the right to advise the probation officer in
13 writing of what your objections are and what your position is;
14 do you understand that?

00:27 15 THE DEFENDANT: Yes, I do, your Honor.

16 THE COURT: Now, do you understand also that the
17 Government has the same right?

18 THE DEFENDANT: Yes, I do, your Honor.

19 THE COURT: And when those written objections are
00:27 20 received by the probation officer, the probation officer will
21 review them, and if the probation officer agrees the report
22 will be changed to incorporate your arguments in the
23 final report; do you understand that?

24 THE DEFENDANT: Yes, I do, your Honor.

00:27 25 THE COURT: On the other hand, if the probation

1 officer does not agree with your objections, he will write a
2 written summary of your objections and his determinations with
3 regard to each of those -- to each objection; do you
4 understand that?

00:27 5 THE DEFENDANT: Yes, I do, your Honor.

6 THE COURT: So, on the date of sentencing the first
7 item of business will be for us to review with the attorneys,
8 of course, whether or not they have any objections or
9 contested points involving the presentence report and the
10 guidelines calculations; do you understand that?

00:27 11 THE DEFENDANT: Yes, I do, your Honor.

12 THE COURT: Now, if there are such objections, you
13 have a right to be heard on each one of them, as does the
14 Government, and then I'll make a determination as to exactly
15 what guideline numbers apply, and what the sentence range is;
16 do you understand that?

00:28 17 THE DEFENDANT: Yes, I do, your Honor.

18 THE COURT: Do you understand that until the
19 presentence report is completed, it is impossible for either
20 the Court or for your attorney to know exactly or precisely
21 what the sentencing range will be prescribed by the
22 guidelines; do you understand that?"

00:28 23 THE DEFENDANT: Yes, I do, your Honor.

24 THE COURT: Now, do you understand that it may be
25 necessary to resolve disputed facts contained in the

1 presentence report, and that may also affect the applicable
2 guidelines?

3 THE DEFENDANT: Yes, I understand.

4 THE COURT: Has your attorney explained to you the
00:28 5 various considerations which go into determining which
6 guidelines will be applied?

7 THE DEFENDANT: Yes, he did.

8 THE COURT: Do you understand that at this point it
9 is unlikely that your attorney can be specific as to the
00:28 10 guidelines which will apply in your case, because he does not
11 have all the necessary information, that is, he has not seen
12 the presentence report; do you understand that?

13 THE DEFENDANT: I understand, your Honor.

14 THE COURT: Do you understand you will not be able
00:29 15 to withdraw your plea on the ground that your attorney's
16 prediction as to the guideline range proved to be inaccurate?

17 THE DEFENDANT: I understand, your Honor.

18 THE COURT: Do you understand that the Court will
19 follow the procedures set forth in the guidelines when it
00:29 20 determines your sentence, and it can only do so after
21 receiving the presentence report?

22 THE DEFENDANT: I understand, your Honor.

23 THE COURT: Do you understand that any stipulation,
24 which we went over before, reached between you and the U.S.
00:29 25 Attorney, is not binding on the Court; do you understand that?

1 THE DEFENDANT: I understand, your Honor.

2 THE COURT: So, Mr. Pierre, could you read the
3 statutory offense with which Mr. Youngclaus is charged and has
4 pled to?

00:29

5 MR. PIERRE: Okay.

6 THE COURT: I think if just cite to the statute
7 section that's fine.

00:30

8 MR. PIERRE: Okay. Mr. Youngclaus has agreed to
9 plead guilty to theft of government property, which is set
10 forth in Title 18 United States Code, Section 641.

11 THE COURT: Now, can you set forth the essential
12 elements which the Government would be required to prove in
13 order to find Mr. Youngclaus guilty?

00:30

14 MR. PIERRE: Certainly, your Honor. The essential
15 elements of Title 18 United States Code, Section 641: One,
16 that the United States had a property interest in the money
17 described in the information; two, that the defendant
18 knowingly voluntarily and intentionally embezzled, stole,
19 purloined or converted the money to his own use or the use of
20 another, with the intent to deprive the owner of the use of
21 the benefit of the money; and three, that the value of the
22 money was more than one thousand dollars, your Honor.

00:30

23 THE COURT: All right. Mr. Lustberg, do you agree
24 these are the essential elements which the Government must
25 prove?

00:30

1 MR. LUSTBERG: Yes, your Honor.

2 THE COURT: And have you reviewed those elements
3 with your client?

4 MR. LUSTBERG: Yes, Judge.

00:31 5 THE COURT: And he understood them?

6 MR. LUSTBERG: He did.

7 THE COURT: Okay. So, Mr. Youngclaus, you
8 understand that the recitation just made by the U.S. Attorney,
9 are the elements of the crime which the Government must prove
00:31 10 beyond a reasonable doubt in order to convict you; do you
11 understand that?

12 THE DEFENDANT: I understand, your Honor.

13 THE COURT: Now, I can't accept a plea unless there
14 is a factual finding. So, at this time, Mr. Youngclaus, you
00:31 15 must answer the questions that are posed by Mr. Pierre.

16 Mr. Pierre?

17 MR. PIERRE: Okay. Thank you, your Honor. The
18 factual questions are set forth as follows.

19 Mr. Youngclaus, between in or about January 2012,
00:31 20 and in or about December 2012, did you own and operate JRY
21 Plumbing and Heating, a company located in Bayonne, New
22 Jersey?

23 THE DEFENDANT: Yes, I did.

24 MR. PIERRE: And during that time period, was JRY
00:32 25 Plumbing and Heating selected as the plumbing contractor on

1 several projects in Bayonne, New Jersey, that were managed by
2 the City of Bayonne Department of Community Development, which
3 I'll refer to as the CBD CD, and funded by the United States
4 Department of Housing and Urban Development?

00:32

5 THE DEFENDANT: Yes, they were.

6 MR. PIERRE: Did JRY Plumbing submit bids with

7 relation to the projects that were awarded to JRY Plumbing by
8 the CBD CD?

9 THE DEFENDANT: Yes, that's correct.

00:32

10 MR. PIERRE: Now, between in or about January 2012,
11 and in or about December 2012, did you collude with other
12 contractors with respect to the competing bids that were also
13 submitted for those projects?

14 THE DEFENDANT: Yes, that's correct.

00:32

15 MR. PIERRE: Did you, for instance, solicit and
16 receive bids from competing contractors in Bayonne, New Jersey
17 that were intentionally higher in price than the bids that
18 were prepared on behalf of JRY Plumbing?

19 THE DEFENDANT: Yes, I did.

00:32

20 MR. PIERRE: And did you also receive blank invoices
21 from at least one competing contractor, and prepare the job
22 details in higher price quotes on those blank invoices?

23 THE DEFENDANT: Yes, I did.

24 MR. PIERRE: And did you submit the JRY bids and the
25 fraudulently higher competing bids to the CBD CD in Bayonne,

00:33

1 New Jersey, with the purpose of being awarded the HUD funded
2 grant projects?

3 THE DEFENDANT: Yes, I did.

4 MR. PIERRE: Mr. Youngclaus, on at least two
5 occasions during that 2012 time period, did you submit bids
6 from two competing contractors to the CBDCCD for projects at a

7 multi-family apartment building and a two family house that
8 you owned in Bayonne, New Jersey?

9 THE DEFENDANT: Yes, I did.

10 MR. PIERRE: And as a result of those two bids, did
11 the CBDCCD award the work on your buildings to the competing
12 contractor with the lowest bid?

13 THE DEFENDANT: Yes, they did.

14 MR. PIERRE: And did JRY Plumbing perform the work
15 awarded to the competing contractors -- or competing
16 contractor on those jobs, and receive payment for the work on
17 the buildings you owned through collusion with the competing
18 contractor?

19 THE DEFENDANT: That's correct.

20 MR. PIERRE: As a result of your collusion with
21 other contractors, did JRY wrongfully obtain approximately
22 \$224,250 in HUD funded grants from the CBDCCD between in or
23 about January 2012 and in or about December 2012?

24 THE DEFENDANT: That's correct.

25 MR. PIERRE: With, respect to the charge contained

1 in the information, did you at all times act knowingly,
2 intentionally and voluntarily?

3 THE DEFENDANT: That's correct.

4 MR. PIERRE: Are you guilty of the charge alleged in
5 the information?

6 THE DEFENDANT: Yes, I am.

7 MR. PIERRE: Your Honor, the United States
8 represents that the Government would have been prepared to
9 prove through documents and witness testimony, all of the
10 elements of the charged offenses beyond a reasonable doubt.
11 The Government asserts that John Youngclaus' affirmative
12 answers to the foregoing questions provide a sufficient
13 factual basis for accepting his plea of guilty to the charge
14 in the information.

15 THE COURT: All right. So, Mr. Youngclaus, now that
16 we've been all through this, is it still your entire under the
17 terms and conditions of the plea agreement which were outlined
18 earlier, to plead guilty to the charge set forth in the
19 information?

20 THE DEFENDANT: That's correct, your Honor.

21 THE COURT: All right. And Mr. Lustberg, do you
22 believe this plea of guilty is in your client's best interest?

23 MR. LUSTBERG: Yes, I do, Judge.

24 THE COURT: All right. So, I accept the plea based
25 on the testimony today and the application to enter a guilty

1 plea on behalf of the defendant. It's obvious to me that Mr.
2 Youngclaus is an intelligent person, he understood the
3 questions, he answered responsively, and I have no doubt in my
4 mind that he entered this plea intelligently, knowingly and
5 voluntarily. It's obvious to me as well that there is ample
6 factual basis to sustain the plea, and that each of the

7 elements of the crime to which he is pleading have been
8 satisfied.

9 I order a presentence report to be prepared, and I
10 urge the defendant to cooperate fully with the probation
11 department in its preparation. And the sentencing will be
12 conducted on June 22nd, at 12:00 p.m.

13 Are there any other applications?

14 MR. PIERRE: There's nothing further from the
15 Government, your Honor.

16 MR. LUSTBERG: Actually this is Mr. Youngclaus'
17 first appearance, so we have to set bail.

18 THE COURT: All right.

19 MR. LUSTBERG: I believe the parties have agreed to
20 \$100,000 unsecured personal recognizance bond.

21 THE COURT: All right.

22 MR. PIERRE: That is true, your Honor, the
23 Government has no objections to the recommended bail package.

24 THE COURT: All right. I've reviewed that, I
25 discussed it with Wendy from pretrial. The Court adopts the

1 following conditions: That the defendant shall be released on
2 \$100,000 unsecured appearance bond, and the following
3 conditions must be adhered to; pretrial services will have
4 supervision at times when they believe it's reasonable; the
00:37 5 defendant must surrender all passports and travel documents to
6 pretrial services, and the defendant may not apply for any new
7 travel documents; the defendant's travel is restricted to the
8 continental United States; the defendant must abstain from use
9 of excessive alcohol; and the defendant must surrender and not
00:37 10 possess any firearms, the defendant shall also surrender all
11 firearm purchase identification cards and permits to pretrial
12 services.

13 Is there any objection to those conditions?

14 MR. LUSTBERG: None from the defense, your Honor.

00:38 15 MR. PIERRE: None from the Government.

16 THE COURT: All right. So, I'll execute the bond.

17 Thank you for coming today.

18 THE DEPUTY CLERK: All rise.

19 (Counsel say thank you.)

00:38 20 (Matter concluded.)

21

22

23

24

25

EXHIBIT D

GIBBONS

BOARD OF EXAMINERS
OF MASTER PLUMBERS

#8

15 JUL 10 PM 3:11

LAWRENCE S. LUSTBERG
Director

Gibbons P.C.
One Gateway Center
Newark, New Jersey 07102-5310
Direct: (973) 596-4731 Fax: (973) 639-6285
lustberg@gibbonslaw.com

July 9, 2015

Cell -
(201)-407-4765

VIA FACSIMILE & FEDEX

Rosemarie S. Baccile
Acting Executive Director
State Board of Examiners of Master Plumbers
124 Halsey Street
P.O. Box 45008
Newark, NJ 07102

Re: **John Ronald Youngclaus**
Master Plumber License Renewal
License No. 36BI01226300

Dear Ms. Baccile:

This Firm represents John Youngclaus in the above-referenced matter. We respectfully submit this letter in response to your request, dated June 12, 2015, with regard to Mr. Youngclaus's Master Plumber license renewal. Mr. Youngclaus answered, "yes" to question 5) because he has been charged with a crime that had not been previously reported to the board/committee. This letter serves to provide you with the information you requested from Mr. Youngclaus, to explain Mr. Youngclaus's conduct, and to request that the Board take no action until Mr. Youngclaus has been sentenced in the underlying matter.

A. The Charges and Underlying Conduct

In 2012, through his business, JRY Plumbing & Heating, Mr. Youngclaus submitted bids for sewer and water projects in the City of Bayonne, managed by the Bayonne Department of Community Development and funded by the United States Department of Housing and Urban Development ("HUD"). Because certain of those bids reflected unlawful collusion with competing contractors, on March 18, 2015, Mr. Youngclaus was charged in an Information in the United States District Court for the District of New Jersey, a copy of which is provided herewith, and he pleaded guilty to one count of theft of funds belonging to HUD in violation of 18 U.S.C. § 641 on that same date pursuant to a plea agreement which is also provided herewith (though it was not specifically requested). He has yet to be sentenced, though sentencing is currently scheduled for September 2, 2015.

Mr. Youngclaus fully admits his wrongdoing and anyone who knows or interacts with him can attest that he is extremely remorseful for his actions and will spend the rest of his life regretting his conduct. Specifically, as he has admitted in open Court, he first learned that HUD grants were available for sewer and water projects through then-senior accountant of the Department of Community Development, Anselmo "Rocky" Crisonino. Mr. Crisonino informed Mr. Youngclaus that in order to receive the grant funds, there had to be two bids and that he

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would therefore need to find another contractor to submit a higher bid to accompany his lower bid. Mr. Youngclaus did just that. That is, he obtained blank bid forms from other contractors, notably his friends, reflected higher bids on these forms, and then submitted them along with the JRY Plumbing and Heating lower bid for the same work, so that he would be awarded the federal grants.

On two other occasions, as Mr. Youngclaus has also admitted, he submitted bids from competing contractors for projects at a multifamily apartment building and a two-family house that he owns. The lowest bidder was awarded the work but in order to get paid for work on property that Mr. Youngclaus owned, and in which he did the work, the work was done in the other contractor's name; again, this was done at Mr. Crisonino's direction.

Although it explains his actions, Mr. Youngclaus concedes that it is no excuse that he followed Mr. Crisonino's direction. This fact establishes, however, that Mr. Youngclaus did not devise this scheme. Nor were his bids inflated; indeed, Mr. Youngclaus will show in connection with his sentencing, that each bid was at fair market rate.

B. Plea Agreement and Pending Sentence

The statute to which Mr. Youngclaus pleaded guilty, 18 U.S.C. § 641, provides for a maximum prison sentence of ten years and a statutory maximum fine of \$250,000; however, the plea agreement indicates that, based upon the United State's Sentencing Guidelines, Mr. Youngclaus's offense level is 17, which corresponds to a Guideline sentence between twenty-four (24) and thirty (30) months and a fine between \$5,000 and \$50,000. That said, the plea agreement also specifically allows Mr. Youngclaus, in connection with his sentencing, to argue for a variance to a sentence beneath the advisory Guidelines range. Indeed, Mr. Youngclaus will, based upon the sentencing factors set forth in 18 U.S.C. § 3553(a), seek, and we are optimistic he will receive, a non-custodial sentence. Among the factors to which Mr. Youngclaus will point in seeking such leniency will be his otherwise impeccable record, the care and support that he provides his elderly and infirm mother and his many good works in the community. Moreover, Mr. Youngclaus will "make full restitution for all losses resulting from the offense of conviction;" specifically, he will forfeit \$224,250 by the time of his sentencing.¹

Of course, the actual consequences of Mr. Youngclaus's actions will depend upon his sentencing, about which we will apprise you as soon as it occurs. Meanwhile, the Board should, as it usually does, withhold action until that time, at which point a Judgment of Conviction will be entered. *See, e.g., In re Yu*, No. A-3245-12, 2014 N.J. Super. Unpub. LEXIS 1016 (App. Div. May 5, 2014). This will allow Mr. Youngclaus to continue to work pending his sentencing, and

¹ It is true that the plea agreement requires Mr. Youngclaus to pay said restitution on or before the date he enters his guilty plea; however, the Government consented to extend this date to the date of sentencing. Indeed, Mr. Youngclaus is in the process of selling properties in order to collect the funds needed to repay the Government.

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continue to support his wife and daughter, as well as his mother. Nor is there any concern that Mr. Youngclaus's work as a plumber is not being conducted in a professional and ethical manner and in any way threatens the "health, safety and welfare of the residents of this State." *N.J.S.A. 45:1-18.1(1)(a)*. Indeed, during the past several years, through hard work and study, Mr. Youngclaus completed the coursework necessary to become a licensed plumbing inspector in the City of Bayonne; his only remaining obstacle is to pass the examination. Achieving this milestone is not done by one who has forsaken the profession, but one who remains dedicated to it and desires to serve his community. Meanwhile, he continues to provide extremely dedicated and competent service to his customers as a Master Plumber, even those who cannot afford to pay him; nor, given his complete admission of wrongdoing, plea of guilty and effort to make amends through restitution and otherwise, is there any concern that he will again engage in the kind of aberrant conduct that resulted in his criminal prosecution. That is, there is simply no threat to the health or safety of the community that would justify taking any action against Mr. Youngclaus pending his sentencing, while doing so would engender a hardship not only to Mr. Youngclaus, but also to his family, his community and his clients.

Please do not hesitate to contact us if you require any additional information, including from Mr. Youngclaus directly, as he is ready, willing and able to meet with you or to address any questions you may have. In the meantime, should you have any questions, please do not hesitate to contact me, or my colleague, Laurie Kelly; her telephone number is 973-596-4891.

Thank you for your kind attention to this matter.

Respectfully yours,



Lawrence S. Lustberg

Enclosures

cc: John R. Youngclaus (via email)

EXHIBIT E

~~RECEIVED~~

UNITED STATES DISTRICT COURT
District of New Jersey

DEC 23 2015

AT 8:30
WILLIAM T. WALSH
CLERK

UNITED STATES OF AMERICA

v.

Case Number 3:15-Cr.-131-(01) (PGS)

JOHN YOUNGCLAUS

Defendant.

JUDGMENT IN A CRIMINAL CASE
(For Offenses Committed On or After November 1, 1987)

The defendant, JOHN YOUNGCLAUS, was represented by Lawrence S. Lustberg, Esq.

The defendant pled guilty to count One of the Information on March 17, 2015. Accordingly, the court has adjudicated that the defendant is guilty of the following offense(s):

<u>Title & Section</u>	<u>Nature of Offense</u>	<u>Date of Offense</u>	<u>Count Number(s)</u>
18 USC 641 & 2	THEFT/EMBEZZLEMENT OF U.S. PROPERTY	January 2012 - December 2012	One

As pronounced on December 15, 2015, the defendant is sentenced as provided in pages 2 through 7 of this Judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

It is ordered that the defendant shall pay to the United States a special assessment of \$100.00, for count One, which shall be due immediately. Said special assessment shall be made payable to the Clerk, U.S. District Court.

It is further ordered that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this Judgment are fully paid. If ordered to pay restitution, the defendant shall notify the court and United States Attorney of any material change in the defendant's economic circumstances.

Signed this the 21st day of December, 2015.



PETER G. SHERIDAN
United States District Judge

Defendant: JOHN YOUNGCLAUS
Case Number: 3:15-Cr.-131-(01) (PGS)

IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a term of 12 Months and 1 Day.

The Court makes the following recommendations to the Bureau of Prisons: Prison Camp at Forth Dix, New Jersey.

The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons .

RETURN

I have executed this Judgment as follows:

At _____ Defendant delivered on _____ To _____ with a certified copy of this Judgment.

United States Marshal
By _____
Deputy Marshal

Defendant: JOHN YOUNGCLAUS
Case Number: 3:15-Cr.-131-(01) (PGS)

SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be placed on supervised release for a term of 3 years.

Within 72 hours of release from custody of the Bureau of Prisons, the defendant shall report in person to the Probation Office in the district to which the defendant is released.

While on supervised release, the defendant shall comply with the standard conditions that have been adopted by this court as set forth below.

Based on information presented, the defendant is excused from the mandatory drug testing provision, however, may be requested to submit to drug testing during the period of supervision if the probation officer determines a risk of substance abuse.

If this judgment imposes a fine, special assessment, costs, or restitution obligation, it shall be a condition of supervised release that the defendant pay any such fine, assessments, costs, and restitution that remains unpaid at the commencement of the term of supervised release and shall comply with the following special conditions:

ALCOHOL/DRUG TESTING AND TREATMENT

You shall refrain from the illegal possession and use of drugs, including prescription medication not prescribed in your name, and the use of alcohol, and shall submit to urinalysis or other forms of testing to ensure compliance. It is further ordered that you shall submit to evaluation and treatment, on an outpatient or inpatient basis, as approved by the U.S. Probation Office. You shall abide by the rules of any program and shall remain in treatment until satisfactorily discharged by the Court. You shall alert all medical professionals of any prior substance abuse history, including any prior history of prescription drug abuse. The Probation Officer shall supervise your compliance with this condition.

NEW DEBT RESTRICTIONS

You are prohibited from incurring any new credit charges, opening additional lines of credit, or incurring any new monetary loan, obligation, or debt, by whatever name known, without the approval of the U.S. Probation Office. You shall not encumber or liquidate interest in any assets unless it is in direct service of the fine and/or restitution obligation or otherwise has the expressed approval of the Court.

SELF-EMPLOYMENT/BUSINESS DISCLOSURE

You shall cooperate with the U.S. Probation Office in the investigation and approval of any position of self-employment, including any independent, entrepreneurial, or freelance employment or business activity. If approved for self-employment, you shall provide the U.S. Probation Office with full disclosure of your self-employment and other business records, including, but not limited to, all of the records identified in the Probation Form 48F (Request for Self Employment Records), or as otherwise requested by the U.S. Probation Office.

Defendant: JOHN YOUNGCLAUS
Case Number: 3:15-Cr.-131-(01) (PGS)

Judgment – Page 4 of 7

STANDARD CONDITIONS OF SUPERVISED RELEASE

While the defendant is on supervised release pursuant to this Judgment:

- 1) The defendant shall not commit another federal, state, or local crime during the term of supervision.
- 2) The defendant shall not illegally possess a controlled substance.
- 3) If convicted of a felony offense, the defendant shall not possess a firearm or destructive device.
- 4) The defendant shall not leave the judicial district without the permission of the court or probation officer.
- 5) The defendant shall report to the probation officer in a manner and frequency directed by the Court or probation officer.
- 6) The defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer.
- 7) The defendant shall support his or her dependents and meet other family responsibilities.
- 8) The defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons.
- 9) The defendant shall notify the probation officer within seventy-two hours of any change in residence or employment.
- 10) The defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute or administer any narcotic or other controlled substance, or any paraphernalia related to such substances.
- 11) The defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered.
- 12) The defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer.
- 13) The defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view by the probation officer.
- 14) The defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer.
- 15) The defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court.
- 16) As directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics, and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.
- 17) You shall cooperate in the collection of DNA as directed by the Probation Officer.
(This standard condition would apply when the current offense or a prior federal offense is either a felony, any offense under Chapter 109A of Title 18 (i.e., §§ 2241-2248, any crime of violence [as defined in 18 U.S.C. § 16], any attempt or conspiracy to commit the above, an offense under the Uniform Code of Military Justice for which a sentence of confinement of more than one year may be imposed, or any other offense under the Uniform Code that is comparable to a qualifying federal offense);
- 18) Upon request, you shall provide the U.S. Probation Office with full disclosure of your financial records, including co-mingled income, expenses, assets and liabilities, to include yearly income tax returns. With the exception of the financial accounts reported and noted within the presentence report, you are prohibited from maintaining and/or opening any additional individual and/or joint checking, savings, or other financial accounts, for either personal or business purposes, without the knowledge

Defendant: JOHN YOUNGCLAUS
Case Number: 3:15-Cr.-131-(01) (PGS)

- and approval of the U.S. Probation Office. You shall cooperate with the Probation Officer in the investigation of your financial dealings and shall provide truthful monthly statements of your income. You shall cooperate in the signing of any necessary authorization to release information forms permitting the U.S. Probation Office access to your financial information and records;
- (19) As directed by the U.S. Probation Office, you shall participate in and complete any educational, vocational, cognitive or any other enrichment program offered by the U.S. Probation Office or any outside agency or establishment while under supervision;
- (20) You shall not operate any motor vehicle without a valid driver's license issued by the State of New Jersey, or in the state in which you are supervised. You shall comply with all motor vehicle laws and ordinances and must report all motor vehicle infractions (including any court appearances) within 72 hours to the U.S. Probation Office;

For Official Use Only - - - U.S. Probation Office

Upon a finding of a violation of probation or supervised release, I understand that the Court may (1) revoke supervision or (2) extend the term of supervision and/or modify the conditions of supervision.

These conditions have been read to me. I fully understand the conditions, and have been provided a copy of them.

You shall carry out all rules, in addition to the above, as prescribed by the Chief U.S. Probation Officer, or any of his associate Probation Officers.

(Signed)

Defendant

Date

U.S. Probation Officer/Designated Witness

Date

Defendant: JOHN YOUNGCLAUS
Case Number: 3:15-Cr.-131-(01) (PGS)

RESTITUTION AND FORFEITURE

RESTITUTION

Pursuant to 18 U.S.C. § 3664(d)(5), the Court shall set a date for the final determination of restitution, not to exceed 90 days after sentencing. During that time, the government shall provide sufficient information including a listing of all identified victims, mailing addresses, and amounts subject to restitution to fashion a restitution order.
The restitution hearing date is set for March 15, 2016 at 10:30 AM.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) community restitution, (6) fine interest, (7) penalties, and (8) costs, including cost of prosecution and court costs.

Defendant: JOHN YOUNGCLAUS
Case Number: 3:15-Cr.-131-(01) (PGS)

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RESTITUTION AND FORFEITURE

FORFEITURE

The defendant is ordered to forfeit the following property to the United States:

Consent of Judgment and Order of Forfeiture (Money Judgment) to be filed.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) community restitution, (6) fine interest, (7) penalties, and (8) costs, including cost of prosecution and court costs.

EXHIBIT F

1 STATE OF NEW JERSEY
 2 DIVISION OF CONSUMER AFFAIRS
 3 STATE BOARD OF EXAMINERS OF
 4 MASTER PLUMBERS
 5 INVESTIGATIVE INQUIRY
 6 IN THE MATTER OF:
 7 JOHN YOUNGCLAUS
 8 -----
 9 124 Halsey Street
 Newark, New Jersey
 JANUARY 28, 2016
 10 B E F O R E: PETER VOROS
 DON DILEO
 11 MICHAEL MALONEY
 MICHAEL SESTANOVICH
 12 ADAM J. SABATH
 THOMAS C. PITCHERELLO
 13 JAMES MCMANUS, JR.
 ROBERT REEVE

14
 15 ALSO PRESENT: ROSEMARIE BACCILE,
 Acting Executive Director
 16
 17 A P P E A R A N C E S:
 18 THE GIBBONS LAW FIRM
 BY: LAWRENCE LUSTBERG, ESQ.
 JAKE GOODMAN, ESQ.
 19
 20 JOHN HOFFMAN, ACTING ATTORNEY GENERAL
 BY: JOSEPH DONOFRIO,
 21 Deputy Attorney General
 For the Board
 22
 23 STATE SHORTHAND REPORTING SERVICES, INC.
 P.O. Box 227
 24 Allenhurst, New Jersey 07711
 732-531-9500 FAX 732-531-7968
 25 srs@stateshorthand.com

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1 MR. VOROS: Good morning. My name is
 2 Pete Voros, I'm chairman and master plumber
 3 representative. I'd like to introduce the other
 4 members.
 5 MR. DILEO: Don Dileo, public member.
 6 MR. MALONEY: Michael Maloney, master
 7 plumber member.
 8 MR. SESTANOVICH: Michael Sestanovich,
 9 inspector member.
 10 MR. SABATH: A.J. Sabath, public member.
 11 MR. PITCHERELLO: Tom Pitcherello, state
 12 government representative.
 13 MR. MCMANUS: Jim McManus, Junior,
 14 journeyman member.
 15 MR. REEVE: Robert Reeve, master plumber
 16 member.
 17 MS. BACCILE: Rosemarie Baccile, Acting
 18 Executive Director.
 19 MR. DONOFRIO: Joseph Donofrio, Deputy
 20 Attorney General.
 21 MR. VOROS: Joe is going to go over the
 22 proceedings today with you.
 23 MR. DONOFRIO: Thank you, Mr. Chairman.
 24 Good morning, gentlemen. I'm going to go over the
 25 ground rules for today's proceeding. If you have

1 any questions at the conclusion, before we start
 2 questioning, please let us know.
 3 Mr. Youngclaus, the New Jersey State
 4 Board of Examiners of Master Plumbers is in
 5 receipt of your application to renew your plumbing
 6 license for the 2015-2017 renewal period.
 7 Additionally, the board is also in receipt of
 8 information related to your arrest and ultimate
 9 conviction on December 21st, 2015, in the U.S.
 10 District Court for the District of New Jersey. As
 11 a result, this investigative inquiry is being
 12 called at the request of the board pursuant to New
 13 Jersey Statute 45:1-18.
 14 The purpose of today's inquiry is to
 15 obtain some background information about you, but
 16 most importantly the facts and circumstances
 17 related to your arrest and conviction. Depending
 18 upon the board's review of this matter and the
 19 outcome of this process, formal action may or may
 20 not be taken by the board.
 21 I will lead the questioning. Board
 22 members may ask you questions as well. If you do
 23 not understand any question, just please ask that
 24 that question be repeated or rephrased for you.
 25 You will be placed under oath and a transcript

5
 1 will be made of this inquiry. The transcript may
 2 be used if there are any subsequent proceedings in
 3 this case. You may choose not to answer a
 4 question if that answer would implicate you in
 5 criminal proceedings.
 6 After today's proceeding, the board may
 7 or may not take formal action regarding your
 8 plumbing license. If the board votes to take
 9 formal action against your plumbing license, you
 10 will be given a full opportunity to respond to the
 11 allegations contained in that complaint.
 12 Now, Mr. Youngclaus, I see you're here
 13 today with counsel and co-counsel I assume?

14 MR. LUSTBERG: Yes, sir.
 15 MR. DONOFRIO: If we could have your
 16 appearance for the record, please, counsel?
 17 MR. LUSTBERG: I'm happy to do so. Mr.
 18 Donofrio, Mr. Chairman, members of the board, my
 19 name is Lawrence S. Lustberg, it's
 20 L-U-S-T-B-E-R-G. I have cards here if you wish.
 21 My colleague is Jake Goodman, we're both from the
 22 Gibbons law firm. And we're here representing Mr.
 23 Youngclaus as we did in his criminal case. And
 24 happy to answer any questions you might have.
 25 Thank you for the opportunity.

7
 1 MR. DONOFRIO: Do you know your license
 2 number?
 3 MR. YOUNGCLAUS: 12263.
 4 MR. DONOFRIO: And do you have your seal
 5 press with you?
 6 MR. YOUNGCLAUS: No, I do not.
 7 MR. DONOFRIO: Are you current with your
 8 continuing education?
 9 MR. YOUNGCLAUS: Yes, I am.
 10 MR. DONOFRIO: Where did you take your
 11 class, who did you attend the class with?
 12 MR. YOUNGCLAUS: Dan Ogorman.
 13 MR. DONOFRIO: And you received your
 14 plumbing license in what year?
 15 MR. YOUNGCLAUS: I believe it was 2001.
 16 MR. DONOFRIO: Was it that long ago, how
 17 about 2005?
 18 MR. YOUNGCLAUS: 2005, I'm sorry.
 19 Sorry, I had to think.
 20 MR. DONOFRIO: Can you tell the board
 21 please how are you currently employed.
 22 MR. YOUNGCLAUS: Currently employed as
 23 an owner of JRY Plumbing and Heating.
 24 MR. DONOFRIO: How long has JRY
 25 Plumbing and Heating been in business?

6
 1 MR. DONOFRIO: Thank you, gentlemen, any
 2 questions with regard to today's proceeding, Mr.
 3 Youngclaus, counsel?
 4 MR. LUSTBERG: No.
 5 MR. YOUNGCLAUS: No.
 6 MR. DONOFRIO: If Mr. Youngclaus could
 7 be sworn in, please.
 8
 9
 10 JOHN YOUNGCLAUS, 183 West 8th
 11 Street, Bayonne, New Jersey 07002, after having
 12 been duly sworn, did testify as follows:
 13

14 MR. VOROS: Mr. Youngclaus, wait for the
 15 question to be asked before you answer because
 16 it's going to be --
 17 MR. YOUNGCLAUS: On tape.
 18 MR. VOROS: Thank you.
 19 MR. DONOFRIO: Mr. Youngclaus, before I
 20 delve into the arrest and conviction, I just
 21 wanted to obtain some general background
 22 information from you, if I could. You are, in
 23 fact, a licensed master plumber with this board;
 24 is that correct?
 25 MR. YOUNGCLAUS: That's correct.

8
 1 MR. YOUNGCLAUS: Since 2005.
 2 MR. DONOFRIO: So you've always traded
 3 under that trade name.
 4 MR. YOUNGCLAUS: Yeah.
 5 MR. DONOFRIO: And the address for JRY
 6 Plumbing and Heating?
 7 MR. YOUNGCLAUS: Is 183 West 8th Street.
 8 MR. DONOFRIO: Same as your home
 9 address?
 10 MR. YOUNGCLAUS: Same as my home
 11 address.
 12 MR. DONOFRIO: You're the bona fide
 13 representative?
 14 MR. YOUNGCLAUS: That's correct.
 15 MR. DONOFRIO: Are you the sole owner of
 16 the company?
 17 MR. YOUNGCLAUS: That's correct.
 18 MR. DONOFRIO: Do you have any
 19 employees?
 20 MR. YOUNGCLAUS: Yes, I do.
 21 MR. DONOFRIO: Okay. Can you tell us
 22 who they are, what their status is, their names?
 23 MR. YOUNGCLAUS: Currently now, I'm
 24 going through different -- because of my status,
 25 I'm going through different employees. Right now,

<p style="text-align: right;">9</p> <p>1 I have a handicapped kid that works for us that I 2 employed for the last 15 years doing odd jobs and 3 stuff like that. I have another one that's a 4 fireman, John Czerwienski. The name of the 5 handicapped kid is Dave Van Der Back. 6 MR. DONOFRIO: And you say Mr. Van Der 7 Back does odd jobs? 8 MR. YOUNGCLAUS: Yeah, helping out 9 cleaning tools, sweeping the shop, cleaning the 10 trucks, make sure there's air in the tires, odd 11 things that a handicapped kid can do. 12 MR. DONOFRIO: And Mr. Czerwienski, his 13 status, what is his job responsibility?</p>	<p style="text-align: right;">10</p> <p>1 stuff like that and provide him with money. 2 MR. DONOFRIO: Does Mr. Van Der Back do 3 any plumbing work for the company? 4 MR. YOUNGCLAUS: No, not at all. 5 MR. DONOFRIO: The last gentleman that 6 you mentioned -- 7 MR. YOUNGCLAUS: Lyman. 8 MR. DONOFRIO: What is his job 9 responsibility? 10 MR. YOUNGCLAUS: His job day-to-day 11 operations where -- service calls and stuff like 12 that. 13 MR. DONOFRIO: So he's a technician?</p>
<p>14 MR. YOUNGCLAUS: He's actually a fireman 15 and he works part time with me. 16 MR. DONOFRIO: Now, are they both W-2 17 employees? 18 MR. YOUNGCLAUS: Mr. Czerwienski is a 19 W-2 employee. And so is another one, Danny Lyman 20 is a W-2 employee. 21 MR. DONOFRIO: And the first individual 22 that you had mentioned -- 23 MR. YOUNGCLAUS: Dave Van Der Back. No, 24 he does not -- I help him out with basically buy 25 him clothes and food and stuff for his family and</p>	<p>14 MR. YOUNGCLAUS: Yes. 15 MR. DONOFRIO: He performs plumbing? 16 MR. YOUNGCLAUS: That is correct. 17 MR. DONOFRIO: And he's a W-2 employee? 18 MR. YOUNGCLAUS: Yes, he is. 19 MR. DONOFRIO: Okay. And what kind of 20 plumbing does your company do, commercial, 21 residential, both? 22 MR. YOUNGCLAUS: 90 percent residential 23 and I would say 10 percent commercial. 24 MR. DONOFRIO: And the area of the state 25 that JRY Plumbing and Heating essentially</p>
<p style="text-align: right;">11</p> <p>1 services? 2 MR. YOUNGCLAUS: Hudson County and we're 3 branching off into Brick, Brick, New Jersey, as 4 well. 5 MR. DONOFRIO: And you do hands-on work 6 as well yourself? 7 MR. YOUNGCLAUS: That's correct. 8 MR. DONOFRIO: Okay. Prior to your 9 conviction, did JRY Plumbing and Heating do a lot 10 of government work, municipal, federal, state? 11 MR. YOUNGCLAUS: Just the work that I 12 performed -- not really. 13 MR. DONOFRIO: Just the work that was 14 the subject of your conviction? 15 MR. YOUNGCLAUS: Yeah. Maybe 10 or 15 16 jobs more than that, but small jobs. 17 MR. DONOFRIO: So were these the first 18 jobs you had bid on essentially for government 19 contracts? 20 MR. YOUNGCLAUS: No, not necessarily, 21 no. 22 MR. DONOFRIO: How many other jobs had 23 JRY Plumbing and Heating bid on prior to the jobs 24 that were the subject of the criminal conviction? 25 MR. YOUNGCLAUS: I really wouldn't know.</p>	<p style="text-align: right;">12</p> <p>1 I would have to look that up. I don't know how 2 many jobs I bid on and didn't get. 3 MR. DONOFRIO: Do you know how much of 4 your overall work that encompassed? 5 MR. YOUNGCLAUS: The bidding, I would 6 say, 20 jobs bid prior to getting those 7 government jobs. 8 MR. DONOFRIO: So a small percentage? 9 MR. YOUNGCLAUS: Very small percentage. 10 MR. DONOFRIO: All right. Mr. 11 Youngclaus, unless the board has any other 12 background related questions, I'll ask you about 13 your criminal conviction. Okay. 14 As I indicated in the opening, you 15 disclosed on your license renewal application an 16 arrest and ultimate federal conviction in U.S. 17 District Court for the District of New Jersey. 18 Can you tell the boards the facts and 19 circumstances that led to your arrest and ultimate 20 conviction? 21 MR. YOUNGCLAUS: Can I have my attorney 22 speak on that? 23 MR. DONOFRIO: I'd rather hear it from 24 you. You can certainly consult with your 25 attorney. If you're not able to fill in any</p>

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1 information, Mr. Lustberg can certainly help you
 2 in that regard.
 3 MR. LUSTBERG: Yeah.
 4 MR. DONOFRIO: But the testimony has to
 5 come from Mr. Youngclaus.
 6 MR. LUSTBERG: No problem with that. I
 7 will say and offer to you that there's obviously
 8 been a lot written about it, I don't mean press, I
 9 mean there's official documents that have been
 10 filed. There was a transcript of the guilty plea
 11 that we don't have the transcript, although I have
 12 kind of -- I have the document that came from the
 13 government where the questions that they made up
 14 and we brought copies of that for you.
 15 MR. DONOFRIO: The colloquy.
 16 MR. LUSTBERG: The colloquy. So any
 17 other information that you wish, you know, for
 18 example, there's a good amount of discussion of
 19 his conviction in our sentencing memorandum, we're
 20 happy to provide the board with any documents
 21 whatsoever.
 22 MR. DONOFRIO: I appreciate that, Mr.
 23 Lustberg, but I really think the board would like
 24 to hear from Mr. Youngclaus.
 25 MR. LUSTBERG: I'm not trying to cut

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1 and do the work. And so he says you need another
 2 bid, that's your customer, go get another bid from
 3 another -- from another opposing plumbing outfit.
 4 And that's what I did.
 5 And we basically -- I did the job and
 6 then her daughter, which was -- that was the first
 7 one. The second one was her daughter now needed a
 8 sewer as well. I said -- and we had the hole open
 9 and her daughter lived directly across the street.
 10 I said call them again, do the same thing. She
 11 called again and the director said you got the
 12 hole open, you might as well do it yourself, we
 13 don't need another bid. Go ahead and do it. So
 14 that was that case.
 15 MR. YOROS: Before you go any further,
 16 let me get your thought pattern here. When this
 17 gentleman who is running this program tells you to
 18 go get another price, what was your thought
 19 pattern, what was your feelings or did you think
 20 anything was going wrong there?
 21 MR. YOUNGCLAUS: I did, yeah. I did
 22 think things were wrong when he said that.
 23 Actually, right after I did it is when I felt it
 24 was wrong, yes. I didn't think it was -- I didn't
 25 think, to be honest with you. I was just trying

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1 that off, I'm just offering that as well.
 2 MR. DONOFRIO: And we appreciate that.
 3 MR. YOUNGCLAUS: Can you repeat the
 4 question?
 5 MR. DONOFRIO: If you can recite for the
 6 board the facts and circumstances that led to your
 7 arrest and ultimate conviction?
 8 MR. YOUNGCLAUS: Basically like how the
 9 job started and everything like that?
 10 MR. DONOFRIO: What were the facts, what
 11 were the allegations, the locations of the jobs
 12 for which you submitted the false bids, things of
 13 that nature. Just tell us what happened.
 14 MR. YOUNGCLAUS: In one particular case,
 15 there was a nurse that was -- my father was dying
 16 in the hospital of cancer. And she had no money
 17 to do her job. So I told her that I would help
 18 her out and I went there the following day. She
 19 actually had no money to do her sewer line. I
 20 told her to go see the director and he would -- at
 21 city hall and he would help her out, to provide
 22 her with money maybe, or a grant, so to say.
 23 And she did, she applied for it. And
 24 the director called me up and said, his name was
 25 Rocky and said that she's approved and go ahead

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1 to get the job done and I was giving it the fair
 2 price and I just went along with the flow. And
 3 then after doing it, I realized it was wrong and I
 4 was very upset about it.
 5 MR. DONOFRIO: Mr. Youngclaus, if I
 6 understand correctly, there were three different
 7 locations; is that correct?
 8 MR. YOUNGCLAUS: There was five
 9 altogether.
 10 MR. DONOFRIO: There were five, okay.
 11 Were all five, Mr. Lustberg, stated in the
 12 information? It looked like there were only three
 13 that were really articulated in the information.
 14 MR. LUSTBERG: You're right. There
 15 were -- it's sometimes hard to distinguish between
 16 them. Really, you're right. It ended up being
 17 just the three. It was the government -- it was
 18 part of the arrangement we made with them.
 19 MR. DONOFRIO: I understand. So he only
 20 actually pled to the three?
 21 MR. LUSTBERG: Correct.
 22 MR. DONOFRIO: Let's talk about the ones
 23 for which you did plead guilty. According to the
 24 information that we have, the first piece of
 25 property was not property that you owned; is that

<p>17</p> <p>1 correct?</p> <p>2 MR. YOUNGCLAUS: I think that's correct,</p> <p>3 I'm not a hundred percent sure.</p> <p>4 MR. DONOFRIO: And what was the address</p> <p>5 or the location of that property, what kind of</p> <p>6 building was it?</p> <p>7 MR. LUSTBERG: Do you remember?</p> <p>8 MR. YOUNGCLAUS: I don't remember.</p> <p>9 MR. DONOFRIO: If you can help, Mr.</p> <p>10 Lustberg.</p> <p>11 MR. LUSTBERG: I have that information,</p> <p>12 let me just check for you. The one thing that I</p>	<p>18</p> <p>1 word, solicited another contractor to submit a</p> <p>2 lower bid in an effort for you to then be awarded</p> <p>3 the job; is that correct?</p> <p>4 MR. YOUNGCLAUS: A higher bid, so I</p> <p>5 could get --</p> <p>6 MR. DONOFRIO: A higher bid, so you can</p> <p>7 get the job?</p> <p>8 MR. YOUNGCLAUS: That is correct, yes.</p> <p>9 MR. DONOFRIO: Who was the other</p> <p>10 contractor?</p> <p>11 MR. YOUNGCLAUS: Nick Iadanza.</p> <p>12 MR. DONOFRIO: Can you spell his name?</p>
<p>13 am not permitted to give you that's probably the</p> <p>14 most useful, but I could do a writing on it, is</p> <p>15 the actual presentence report in the case. That</p> <p>16 has -- as you probably know is a confidential</p> <p>17 document that we're not permitted to disclose.</p> <p>18 But that has a lot of the facts. And I can</p> <p>19 provide -- I can provide those in some other form</p> <p>20 to you. But I'm not sure that we -- I don't</p> <p>21 believe I have with me the specific address, I'm</p> <p>22 sorry.</p> <p>23 MR. DONOFRIO: Okay. Well, the</p> <p>24 information that we have, there was the first</p> <p>25 instance whereby you, I guess for lack of a better</p>	<p>13 MR. YOUNGCLAUS: I think it's</p> <p>14 I-D-A-N-I-Z-A.</p> <p>15 MR. LUSTBERG: No, it's I-A-D-A-N-Z-A.</p> <p>16 MR. DONOFRIO: And is he a licensed</p> <p>17 master plumber?</p> <p>18 MR. YOUNGCLAUS: Yes, he is.</p> <p>19 MR. DONOFRIO: Was he prosecuted?</p> <p>20 MR. YOUNGCLAUS: No.</p> <p>21 MR. DONOFRIO: Do you know why?</p> <p>22 MR. LUSTBERG: I do. He was a</p> <p>23 cooperating witness for the government.</p> <p>24 MR. DONOFRIO: Okay. And he provided</p> <p>25 you with a bid contract?</p>
<p>19</p> <p>1 MR. YOUNGCLAUS: That's correct.</p> <p>2 MR. DONOFRIO: And you filled it out?</p> <p>3 MR. YOUNGCLAUS: That's correct.</p> <p>4 MR. DONOFRIO: And he signed it?</p> <p>5 MR. YOUNGCLAUS: That's correct.</p> <p>6 MR. DONOFRIO: And then according to the</p> <p>7 information, the other instances involved a two</p> <p>8 family home that you owned and a multifamily</p> <p>9 apartment that you owned; is that correct?</p> <p>10 MR. YOUNGCLAUS: That is correct.</p> <p>11 MR. DONOFRIO: And the addresses for</p> <p>12 the -- first, the address for the two family home?</p> <p>13 MR. YOUNGCLAUS: The two family home is</p> <p>14 118 West 20th Street.</p> <p>15 MR. DONOFRIO: And the multifamily?</p> <p>16 MR. YOUNGCLAUS: 13 West 20th Street.</p> <p>17 MR. LUSTBERG: These are all in Bayonne,</p> <p>18 just to be clear.</p> <p>19 MR. DONOFRIO: Okay. And you were</p> <p>20 precluded from bidding on those properties because</p> <p>21 you owned the properties; is that correct?</p> <p>22 MR. YOUNGCLAUS: I didn't know that at</p> <p>23 the time.</p> <p>24 MR. DONOFRIO: You didn't know that you</p> <p>25 were precluded from bidding on it?</p>	<p>20</p> <p>1 MR. YOUNGCLAUS: That's correct.</p> <p>2 MR. DONOFRIO: Okay. But you did</p> <p>3 solicit two contractors to submit bids for that</p> <p>4 work; is that correct?</p> <p>5 MR. YOUNGCLAUS: That is correct.</p> <p>6 MR. DONOFRIO: And who were those</p> <p>7 contractors?</p> <p>8 MR. YOUNGCLAUS: It was Nicky Iadanza</p> <p>9 and I don't remember who the other one was.</p> <p>10 MR. DONOFRIO: Do you recall, Mr.</p> <p>11 Lustberg?</p> <p>12 MR. LUSTBERG: I don't. I don't think</p> <p>13 we know that. I don't have that information.</p> <p>14 MR. YOUNGCLAUS: I don't think it was</p> <p>15 two, I think it was only one.</p> <p>16 MR. DONOFRIO: You think it was only</p> <p>17 one?</p> <p>18 MR. YOUNGCLAUS: It was only one, it was</p> <p>19 Nicky Iadanza.</p> <p>20 MR. DONOFRIO: In the information, it</p> <p>21 indicates there were two. So it's your testimony</p> <p>22 that only Mr. Iadanza --</p> <p>23 MR. YOUNGCLAUS: From what I can recall.</p> <p>24 MR. DONOFRIO: -- was the other bid</p> <p>25 that --</p>

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1 MR. YOUNGCLAUS: From what I recall and
 2 myself.
 3 MR. LUSTBERG: I'll look into that. And
 4 if that's incorrect, I'll let you know. But I
 5 think -- I'm confident that Mr. Iadanza was
 6 involved in multiple instances of this misconduct.
 7 MR. DONOFRIO: Because certainly if
 8 there was a second plumbing contractor involved,
 9 the board would want to know that information.
 10 MR. LUSTBERG: I will provide it for
 11 you.
 12 MR. DONOFRIO: We appreciate that.
 13 MR. LUSTBERG: Sure, no problem.
 14 MR. DONOFRIO: So in that particular
 15 circumstance, he submitted a bid and you actually
 16 did the work once he was awarded the job; is that
 17 correct?
 18 MR. YOUNGCLAUS: I was doing it for him
 19 as well.
 20 MR. DONOFRIO: I didn't hear you, I'm
 21 sorry?
 22 MR. YOUNGCLAUS: I was doing it for him
 23 as well. I was writing bids for him as well when
 24 I was away. He went to my location and asked my
 25 secretary to write him a bid and they did.

23

1 phony bids from my office first, so that he could
 2 be awarded the jobs.
 3 MR. DONOFRIO: Okay.
 4 MR. YOUNGCLAUS: So he did it first and
 5 then I did it second.
 6 MR. DONOFRIO: You just essentially
 7 would to it for each other?
 8 MR. YOUNGCLAUS: No money was ever
 9 exchanged.
 10 MR. DONOFRIO: And, again, how many
 11 different circumstances did this occur?
 12 MR. YOUNGCLAUS: For him?
 13 MR. DONOFRIO: Overall between the two
 14 of you?
 15 MR. YOUNGCLAUS: I believe I gave him a
 16 couple blank copies of my, you know, invoices.
 17 MR. DONOFRIO: But how many different
 18 circumstances, how many different projects did you
 19 have this relationship with Mr. Iadanza?
 20 MR. LUSTBERG: Six.
 21 MR. DONOFRIO: Six total.
 22 MR. YOUNGCLAUS: There you go.
 23 MR. DONOFRIO: Three of which were the
 24 subject of the information?
 25 MR. YOUNGCLAUS: Yeah.

22

1 MR. LUSTBERG: Just to be clear, so he
 2 did the same thing for Mr. Iadanza, as he would
 3 submit fraudulently higher bids so Mr. Iadanza
 4 could get jobs. They were doing the same thing
 5 for each other.
 6 MR. DONOFRIO: Okay. Those were the
 7 circumstances we were talking about that were not
 8 the subject of the information?
 9 MR. LUSTBERG: I think that that's right
 10 but I think that were actually five -- no, I
 11 think there were five different units that Mr.
 12 Youngclaus was involved with.
 13 MR. DONOFRIO: Okay.
 14 MR. LUSTBERG: But for two of them, the
 15 government did not have any proof that there was
 16 any damage at all. So they didn't pursue those.
 17 MR. DONOFRIO: And in the first
 18 instance, did you kick money back to Mr. Iadanza?
 19 MR. YOUNGCLAUS: No, no money was ever
 20 exchanged.
 21 MR. DONOFRIO: Okay. How was he
 22 compensated for submitting a higher bid?
 23 MR. YOUNGCLAUS: Because I did the
 24 work -- when I was away, he submitted a -- he went
 25 to my office and he originally was asked to get

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1 MR. DONOFRIO: Okay. Who actually
 2 performed the work on your property, was it your
 3 employees?
 4 MR. YOUNGCLAUS: My employees, correct.
 5 MR. DONOFRIO: And, Mr. Youngclaus, how
 6 much money did you receive total as a result of
 7 your illegal activity?
 8 MR. YOUNGCLAUS: \$224,000.
 9 MR. LUSTBERG: And change. Let me give
 10 you the exact number, so you have it. It's
 11 \$224,254, all of which has been returned to the
 12 government.
 13 MR. DONOFRIO: So you've paid that?
 14 MR. YOUNGCLAUS: Yes.
 15 MR. LUSTBERG: Fully paid as of this
 16 week actually.
 17 MR. YOUNGCLAUS: And also, they also had
 18 a lien on one of the properties that's the 13 West
 19 20th Street, they had a lien on it, I had to pay
 20 the money back anyway.
 21 MR. DONOFRIO: As part of a forfeiture?
 22 MR. YOUNGCLAUS: No, no, when I did the
 23 grant. When I was doing the grant, it was a
 24 program where I had to pay the money back anyway.
 25 MR. DONOFRIO: Now, just to be clear,

<p style="text-align: right;">25</p> <p>1 the work that was the subject of the information 2 and ultimate conviction, this was plumbing work, 3 correct? 4 MR. YOUNGCLAUS: Correct. 5 MR. DONOFRIO: What type of plumbing 6 work? 7 MR. YOUNGCLAUS: Which job? 8 MR. DONOFRIO: Let's take the first 9 instance, the property you did not own, what kind 10 of work was that? 11 MR. YOUNGCLAUS: The two, the first and 12 the second were two sewer lines. 13 MR. DONOFRIO: Okay.</p>	<p style="text-align: right;">26</p> <p>1 contractor at least on some of them on the permit 2 application, I would assume, correct? 3 MR. YOUNGCLAUS: No, Nicky Iadanza was 4 on the permit on that one and the 13 West 20th. 5 MR. DONOFRIO: The ones you did for him 6 that weren't the subject of the information and 7 conviction, you would use your seal press and you, 8 as the contractor, to do that work? 9 MR. YOUNGCLAUS: I used my seal press 10 for the two sewer lines I did in the beginning. 11 The ones that were my property were not my seal 12 press, they were Nicky Iadanza's. 13 MR. LUSTBERG: And just to be clear, the</p>
<p>14 MR. YOUNGCLAUS: Okay. And then the 15 third job, I believe was 118 West 20th was also a 16 sewer line. That's the one I owned. 17 MR. DONOFRIO: This was all permitted 18 work? 19 MR. YOUNGCLAUS: All permitted. 20 Everything was permitted, got approved, and 21 everything. And then the fourth one was, 13 West 22 20th was my apartment building was boilers and the 23 Navyon combo units, it was those units and a water 24 and sewer line. 25 MR. DONOFRIO: You were listed as the</p>	<p>14 first two that were his, those were part of the 15 information. 16 MR. DONOFRIO: Yes, okay. What sentence 17 did you receive as a result of the conviction? 18 MR. YOUNGCLAUS: A year and a day. 19 MR. DONOFRIO: When do you start 20 serving? 21 MR. LUSTBERG: So the date has been -- 22 has not been set, but it will be a date that will 23 be sometime after April 30th. The judge postponed 24 until after that so that Mr. Youngclaus could 25 attend his daughter's communion, which is April</p>
<p style="text-align: right;">27</p> <p>1 30th. So it will be sometime shortly after, we 2 don't have the date yet. 3 MR. DONOFRIO: Just so the record is 4 clear, you pled guilty pursuant to a plea 5 agreement? 6 MR. YOUNGCLAUS: That's correct. 7 MR. DONOFRIO: Your offense level was 8 17, so there was a down grade, essentially, Mr. 9 Lustberg, in the sentencing level? 10 MR. LUSTBERG: I just want to check on 11 the 17, only because it got changed at the last 12 minute because the Congress changed the sentencing 13 guidelines, so I just want to double check and 14 make sure that was included. Yeah, so it ended up 15 being 15. And your 100 percent correct. So under 16 the guidelines the sentence would have been 17 higher, but as a result of all the nature and 18 circumstances of the offense and history and 19 characteristics, which the court has to consider, 20 the court imposed a sentence that was beneath the 21 guidelines, that was a year and a day. 22 I don't mean to drone on, but just so 23 you understand what the significance of a year and 24 a day is. In our federal system, there's no 25 parole, unlike the state system. You get good</p>	<p style="text-align: right;">28</p> <p>1 time for a sentence over a year, but you don't get 2 good time for a sentence of a year or less. So by 3 imposing a sentence of a year and a day, he's 4 afforded the opportunity for good time. So he 5 would be expected to serve somewhere around eight 6 and a half months on the sentence. It's a very 7 arcane and sort of silly system in some ways. But 8 there's my primer on the federal sentencing for 9 you. 10 MR. DONOFRIO: So there's the potential 11 that he'll serve less than a year and a day? 12 MR. LUSTBERG: The great likelihood that 13 he will serve two months less or really 58 days 14 less than the year and a day. Unless he were to 15 somehow have some disciplinary problems in prison, 16 which is extremely unlikely. So that would be the 17 likelihood that he would serve 10 months. There's 18 also the likelihood that 10 percent of his 19 sentence, so 10 percent of a year and a day or 20 approximately 1.2 months will be served either in 21 home detention or a halfway house at the 22 conclusion. 23 So that's -- the way I typically 24 calculate it is approximately eight and a half 25 months that he would be expected to serve in</p>

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1 custody. And the judge recommended that he serve
 2 that sentence at U.S. prison camp, it's a low
 3 custody facility at Fort Dix.
 4 And I brought for you, in the event that
 5 you wanted it, because we just got it yesterday in
 6 the mail, the actual judgment for the court, which
 7 a public document. I brought an extra copy for
 8 you.
 9 MR. DONOFRIO: We may have it, we had
 10 our investigator --
 11 MR. LUSTBERG: There was an amended one
 12 that was entered, that's the reason I wanted to
 13 give it to you.

14 MR. DONOFRIO: Why don't you provide it
 15 to us, I'll have it marked for identification.
 16 You can identify it for the record and make it
 17 part of the record.
 18 MR. LUSTBERG: Okay, happy to do it. It
 19 was really for your convenience.
 20
 21 (Amended judgment received and
 22 marked R-1 for identification.)
 23
 24 MR. DONOFRIO: Mr. Lustberg, just so the
 25 record is clear, R-1 for identification, can you

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1 are.
 2 MR. DONOFRIO: Mr. Youngclaus, during
 3 the period of your incarceration, what are your
 4 intentions with regard to your practice?
 5 MR. YOUNGCLAUS: I don't know. I
 6 haven't really thought of it. I guess I would
 7 lose my business, I would lose my customers, I
 8 would lose a source of income. My mother's sick,
 9 you know. She's very sick, a lot of care with
 10 packages, and food, and going in and out of the
 11 house. I really haven't thought of it. I don't
 12 know.
 13 MR. DONOFRIO: That's all I have, Mr.
 14 Chairman. If you want to open it up to the board
 15 members.
 16 MR. VOROS: I have -- I was wondering,
 17 you were doing this and when did it come to a stop
 18 or what flag went up to where it was stopped?
 19 MR. YOUNGCLAUS: I just felt that was, I
 20 just wanted to stop. I wanted to do other work,
 21 it was too hard doing the government work anyway.
 22 It was, you know, with doing prevailing wage and
 23 all that stuff, it was just too many documents.
 24 It just wasn't worth it.
 25 MR. VOROS: So you stopped. When did

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1 identify the document please?
 2 MR. LUSTBERG: Yes. R-1 is a copy of
 3 the judgment -- the actual judgment amended
 4 judgment of conviction that was entered by U.S.
 5 District Judge Pete Sheridan on January 14th.
 6 MR. DONOFRIO: Great. Thank you.
 7 MR. LUSTBERG: Thank you.
 8 MR. DONOFRIO: Mr. Youngclaus, after you
 9 complete your term of incarceration, there's three
 10 years of supervised release; is that correct?
 11 MR. YOUNGCLAUS: Is there?
 12 MR. LUSTBERG: Yes.
 13 MR. YOUNGCLAUS: Yes.

14 MR. DONOFRIO: Do you know what that
 15 entails?
 16 MR. YOUNGCLAUS: No, I do not.
 17 MR. DONOFRIO: Will you be informed as
 18 to what that involves?
 19 MR. YOUNGCLAUS: Yes.
 20 MR. DONOFRIO: Like a probation
 21 essentially or parole?
 22 MR. LUSTBERG: It's like probation. And
 23 he has to -- within I think 72 hours of his
 24 release, he would report to probation. That's the
 25 point he would be told what the conditions of that

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1 the legal stuff happen?
 2 MR. YOUNGCLAUS: About maybe a year
 3 later.
 4 MR. VOROS: A year later?
 5 MR. YOUNGCLAUS: I would think so, I'm
 6 not 100 percent sure, but I never thought of it,
 7 but I think about a year.
 8 MR. VOROS: How was it figured out that
 9 there was something wrong with what you did?
 10 MR. YOUNGCLAUS: How was it figured out
 11 on my end? When they came to my door and said
 12 that you're under arrest for doing the work.
 13 That's when I realized it was, you know, it was --
 14 really illegal.
 15 MR. VOROS: Now, the person that told
 16 you to get another bid, was he in trouble, too?
 17 MR. YOUNGCLAUS: Yes. He's in trouble,
 18 he was the director.
 19 MR. DONOFRIO: That's Mr. Crisanino?
 20 MR. YOUNGCLAUS: Yes, he's in trouble,
 21 yes.
 22 MR. MALONEY: Are you currently on or
 23 were on either the state or the federal debarment
 24 list?
 25 MR. YOUNGCLAUS: Federal department

<p>33</p> <p>1 list?</p> <p>2 MR. MALONEY: Debarment. Are you</p> <p>3 debarred from working on federal projects or</p> <p>4 state?</p> <p>5 MR. YOUNGCLAUS: Because of this?</p> <p>6 MR. MALONEY: Yes.</p> <p>7 MR. YOUNGCLAUS: Yes, I am.</p> <p>8 MR. MALONEY: So federal debarment or</p> <p>9 the state or both?</p> <p>10 MR. YOUNGCLAUS: They said I'm not</p> <p>11 allowed to do anymore government grants, that's</p> <p>12 what they told me. I'm not sure what that.</p>	<p>34</p> <p>1 state is three years. I don't know about the</p> <p>2 federal.</p> <p>3 MR. SABATH: I'm not as familiar with</p> <p>4 the federal debarment.</p> <p>5 MR. MALONEY: That's all I have.</p> <p>6 MR. VOROS: Anyone else on the board</p> <p>7 have any questions?</p> <p>8 MR. McMANUS: Just clarification on</p> <p>9 the -- you stated you paid the money back. When</p> <p>10 you're talking the money back, that's the grant</p> <p>11 money you received; is that correct?</p> <p>12 MR. YOUNGCLAUS: That's correct. If you</p>
<p>13 MR. MALONEY: There's a debarment list,</p> <p>14 I'm sure A.J. can explain it better than me.</p> <p>15 MR. SABATH: I think when you're</p> <p>16 convicted of a crime, it's automatic.</p> <p>17 MR. MALONEY: That's all.</p> <p>18 MR. DONOFRIO: Is it indefinite, Mr.</p> <p>19 Sabath, or is it --</p> <p>20 MR. SABATH: No.</p> <p>21 MR. DONOFRIO: For a finite period of</p> <p>22 time?</p> <p>23 MR. SABATH: I believe a three year</p> <p>24 period, from my understanding.</p> <p>25 MR. McMANUS: As far as I know, the</p>	<p>13 want me to? I did the job, I got paid for the</p> <p>14 job, and the job was completed. It got permitted</p> <p>15 and everything was inspected, I was paid. And</p> <p>16 then after it was all said and done, I repaid it</p> <p>17 back with my own money, the job on top of that. I</p> <p>18 paid the materials, the job, above and beyond, I</p> <p>19 paid it back. That's correct.</p> <p>20 MR. LUSTBERG: So just to be clear, just</p> <p>21 to translate that a little bit. The 224,000</p> <p>22 represented the full payment that he received. It</p> <p>23 was -- we argued, we tried to argue with them and</p> <p>24 tried to get them to only assess the net payment,</p> <p>25 so essentially back out what his costs were. But</p>
<p>35</p> <p>1 in fact he was required under the law to forfeit,</p> <p>2 this was a forfeiture, the entire payment that he</p> <p>3 received. So what Mr. Youngclaus is referring to</p> <p>4 is that he paid whatever his out-of-pocket costs</p> <p>5 were for labor and parts and all that, he had to</p> <p>6 pay. And then he also had to refund the money</p> <p>7 that was paid to cover those. So it was a</p> <p>8 significant forfeiture.</p> <p>9 MR. YOUNGCLAUS: Permit fees and all</p> <p>10 that.</p> <p>11 MR. LUSTBERG: The reason -- some of it</p> <p>12 was paid prior to sentencing. And the rest was</p> <p>13 just paid this week because he was required to</p> <p>14 sell some property in order to make that payment.</p> <p>15 And that has now been received by the government.</p> <p>16 MR. McMANUS: Was there any interest on</p> <p>17 that?</p> <p>18 MR. LUSTBERG: They don't assess</p> <p>19 interest, unless it's delayed. If he had not paid</p> <p>20 it prior to surrendering to serve the sentence,</p> <p>21 interest would have been due on it, you're</p> <p>22 correct. But since we paid it timely, there was</p> <p>23 no interest payment.</p> <p>24 MR. VOROS: You had mentioned earlier</p> <p>25 that or alluded to the prices you were given were</p>	<p>36</p> <p>1 were reasonable prices, they weren't very high?</p> <p>2 MR. YOUNGCLAUS: Not at all, not at all.</p> <p>3 We had to prove that in the case to get different</p> <p>4 bids out there. And they were much higher than</p> <p>5 what my price was.</p> <p>6 MR. VOROS: So if there was people</p> <p>7 painting the picture, the picture that's not there</p> <p>8 is you and this other gentleman plumber sitting</p> <p>9 down and coming up with a scheme where he's going</p> <p>10 to give a high price and you're going to give a</p> <p>11 high price. And your price is ridiculously high,</p> <p>12 too, and they accepted the bid. That's not the</p> <p>13 picture we're looking?</p> <p>14 MR. YOUNGCLAUS: That's not the picture.</p> <p>15 MR. VOROS: You've met this lady at the</p> <p>16 doctor's office that needed a sewer and couldn't</p> <p>17 afford it, that's how you got started?</p> <p>18 MR. YOUNGCLAUS: That's how I got</p> <p>19 started.</p> <p>20 MR. VOROS: And through the court case,</p> <p>21 the way everything, it looks like that's how the</p> <p>22 judge saw it, too?</p> <p>23 MR. YOUNGCLAUS: That's correct.</p> <p>24 MR. LUSTBERG: Let me just be clear,</p> <p>25 though. I don't want to overstate what we proved.</p>

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1 So what we did in order to show that these were
 2 not inflated prices was we looked at comparables,
 3 obviously. And in particular, we focused on Mr.
 4 Youngclaus mentioned the one case where he
 5 installed a boiler. So we looked at a comparable,
 6 just at that time, and you could see that his
 7 price was lower. And that was our effort of
 8 showing that -- exactly as you said --- that even
 9 though he would not have gotten the job, but for
 10 the fraud, which is the bid rigging, the result
 11 was not an inflated price. And so that's how we
 12 showed it.

13 But we did not -- because we couldn't
 14 find appropriate comparables, we didn't do that
 15 for the sewer lines. We just did it for the
 16 boiler job. So I just didn't want to overstate
 17 what it is that we actually proved in that regard.
 18 But there's no reason to believe and the
 19 government has not provided any evidence to us
 20 that any of the jobs were at inflated prices.
 21 MR. DONOFRIO: Mr. Lustberg, the bids
 22 themselves, are they available?
 23 MR. LUSTBERG: So I think -- the answer
 24 is yes and I can get those to you. Those are
 25 provided to us in discovery in the criminal case.

39

1 MR. DONOFRIO: One final question for
 2 me, Mr. Youngclaus, it kind of unrelated. Did you
 3 apply for your HVAC license?
 4 MR. YOUNGCLAUS: Yes.
 5 MR. DONOFRIO: Did report this on your
 6 application?
 7 MR. YOUNGCLAUS: I applied for it, BUT I
 8 believe the date was -- it was mixed up. And I
 9 kept trying to apply for it and I believe I called
 10 Tom Pitcherello about that, remember, Tom?
 11 MR. PITCHERELLO: I get 40 calls a day.
 12 MR. YOUNGCLAUS: I know. I called and
 13 asked when the class was. And he said it passed
 14 already and I missed it.
 15 MR. DONOFRIO: Okay. So you are not
 16 currently an applicant?
 17 MR. YOUNGCLAUS: I tried, but I wasn't
 18 able to.
 19 MR. DONOFRIO: Thank you.
 20 MR. VOROS: Anything?
 21 MR. McMANUS: With these bids, how many
 22 bids went in on these projects? Was it just you
 23 and the other individual bidding them or was there
 24 some bids? Sometimes there's two bid, sometimes
 25 there's one, sometimes nobody bids, sometimes you

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1 Maybe after we're done, you and I can have a
 2 conversation and you can tell me anything you
 3 want. But literally if there's any document you
 4 want, I'm happy to provide it.
 5 MR. VOROS: I think it would be helpful
 6 because we would see what actually went down.
 7 MR. LUSTBERG: No problem.
 8 MR. VOROS: That would help us confirm
 9 this wasn't criminal activity, that this was maybe
 10 something you weren't sure about when you started
 11 and it got out of the hand or ugly.
 12 MR. YOUNGCLAUS: Exactly.

13 MR. LUSTBERG: Mr. Youngclaus does not
 14 deny for one second what he did was wrong. So we
 15 don't -- the purpose of it wouldn't be to show it
 16 was innocent conduct. He recognizes the
 17 wrongfulness of the conduct. On the other hand,
 18 you're right, you should have all the nature and
 19 circumstances. And those were what we showed to
 20 the judge. I'll actually provide as well our
 21 submissions to the judge, the government
 22 submissions, I'll give you everything.
 23 MR. DONOFRIO: It would be appreciated.
 24 MR. LUSTBERG: We'll put together a
 25 package of everything.

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1 have 10 bidders. Do you recall?
 2 MR. YOUNGCLAUS: Yes, I do. There was
 3 no sealed bids like it normally would be a sealed
 4 bid. The director wasn't doing that, he was
 5 basically -- it was my customer asking me to do a
 6 job. They didn't have money, they went to see the
 7 director. And the director actually looked at
 8 their salary or whatever and awarded them
 9 government money. And then he said go ahead and
 10 called me up, you're the licensed plumber, do the
 11 job.
 12 MR. LUSTBERG: So the answer --
 13 MR. YOUNGCLAUS: No other people --
 14 MR. McMANUS: Thank you.
 15 MR. LUSTBERG: You're absolutely right.
 16 MR. McMANUS: Clarify some things in my
 17 head.
 18 MR. LUSTBERG: That's a great question.
 19 MR. VOROS: Is there any other board
 20 member who has questions? Mr. Youngclaus, would
 21 you like to make a closing statement or counsel?
 22 MR. YOUNGCLAUS: I just want to thank
 23 you, everybody, for being here. And I just hope
 24 that, you know, your decision is in favor for my
 25 family. I just -- I'm sorry for what I did, and

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 1 the mess that I'm in, and my name got ruined
 2 throughout the town. I just hope you see some
 3 sympathy on me. Thank you very much.
 4 MR. LUSTBERG: If I could just very
 5 briefly? We'll also provide to the board all the
 6 materials that you've asked for. And we'll have a
 7 cover letter that will set forth our position,
 8 very briefly, but so you have it in front of you.
 9 We also inspect to have a letter from the judge,
 10 who sentenced Mr. Youngclaus. And let me explain
 11 why I say that. Prior to coming here today, Judge
 12 Sheridan called me and said, I understand you have

13 this plumbing hearing, which we had mentioned in
 14 getting Mr. Youngclaus's surrender date put off,
 15 because he was actually scheduled to surrender on
 16 Monday. And I called the court and said he can't
 17 surrender on Monday, he has this plumbing hearing
 18 on Thursday. And anyway, he wants to stay out for
 19 his daughter's communion. And the judge said
 20 listen, if you need any -- if you need a letter
 21 for the plumbing board, he'll provide one. I
 22 said, well, of course that would be helpful.
 23 So you could expect we'll be submitting
 24 a letter from Judge Sheridan. I think what that
 25 letter will say is that although this conduct had

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 1 of that are not great. I think the chances are in
 2 fact he'll be in a federal custody, that will not
 3 permit him to work. But obviously if we can work
 4 that out, he would be in a position, if this board
 5 permitted him to do so, to continue his practice.
 6 I don't know when I'll know the answer to that,
 7 certainly before he surrenders, but we're working
 8 on that right now. And I wanted to tell you that
 9 so you would have the benefit of understanding
 10 that that's the case.
 11 We do very much appreciate the
 12 opportunity to address you today. And in
 13 particular, I should say this hearing was
 14 scheduled a couple times in the past and was put
 15 off so that his sentencing could take place. And
 16 I know that's the board's practice, but we also
 17 genuinely appreciate it because it would put us in
 18 a difficult position to have both going on at the
 19 same time. So I wanted to express our gratitude
 20 for your courtesies in that regard.

21 MR. DONOFRIO: Mr. Lustberg, when do you
 22 anticipate you can get us the documentation?
 23 MR. LUSTBERG: I'll say by Monday or
 24 Tuesday, I mean certainly by early next week. We
 25 have it all, it's a matter of pulling it together.

42
 1 to be punished as a matter of generally deterring
 2 people from engaging in this kind of bid rigging
 3 conduct, that he did not regard Mr. Youngclaus as
 4 an ongoing danger to commit any further offenses.
 5 That was the position that we, of course, took at
 6 his sentencing. And it was the position that the
 7 judge articulated at the time of the sentencing.

8 In fact, just briefly, we'll be sending
 9 you the sentencing memorandum so you know all of
 10 what we had to say, Mr. Youngclaus has really been
 11 a very good citizen in many ways, and has rendered
 12 exemplary service to his customers. In many cases
 13 at no or reduced cost. It is a very sad and
 14 unfortunate event. And it's caused great
 15 hardship, not only to Mr. Youngclaus, but to his
 16 family. And even to some of his customers who
 17 will clearly be deprived of his services for some
 18 time.

19 Let me conclude by saying something
 20 about that. Mr. Youngclaus, in response to a
 21 question -- there was a question as to what's
 22 going to happen to his business while he's in
 23 custody. We are currently trying to work out a
 24 way for him to serve his sentence in a halfway
 25 house. I will tell you that I think the chances

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 1 The only thing that might be voluminous is the bid
 2 documents. And if you would, you know, I mean you
 3 and I can talk offline about this, if you wish.
 4 Part of the question will be what form you want it
 5 in. If you want it electronically, that may be
 6 easier or we can provide hard copies. Just let us
 7 know what form you want it in and we'll provide it
 8 however you wish.

9 MR. DONOFRIO: If you want to PDF it to
 10 the executive director, I think that would be
 11 okay.

12 MR. LUSTBERG: That's great. If that's
 13 the easiest for you. As I said, I'm more than
 14 happy to make multiple copies and give them to the
 15 whole board. We want to accommodate you as much
 16 as possible, but PDF is fine.

17 MR. DONOFRIO: Let's just reiterate then
 18 for the record, you're sending the bid documents,
 19 you had mentioned you want on behalf of your
 20 client to send a letter from the judge.

21 MR. LUSTBERG: I don't know that I'll
 22 have that by Monday.

23 MR. DONOFRIO: And I appreciate that.
 24 What else?

25 MR. LUSTBERG: Let me, if I could give

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1 you a sense of what I would send in. We will send
2 in various materials. I'm going to send you a
3 statement that Mr. Youngclaus provided to the
4 probation office in anticipation of his
5 presentence report that sets forth his version of
6 events in a way that's a little bit more well
7 formed than the way he articulated it here today.
8 And we assisted him obviously, but you'll see
9 that.

10 We're going to give you our sentencing
11 memo, which is going to detail all of who he is
12 and what he's done and give you a sense. And to
13 be fair, we're also going to send in the

14 government's sentencing submissions, so you have
15 both sides. I take it -- I don't know whether you
16 need -- do you have the plea agreement?

17 MR. DONOFRIO: We have the colloquy. Do
18 we have the actual plea agreement? I believe we
19 have references to the plea agreement, we
20 essentially know what it is.

21 MR. LUSTBERG: I'll send you the plea
22 agreement so you have it. You should know, as I
23 mentioned, that the sentencing guidelines changed,
24 on November 1st. So the calculations there are
25 off, but it still was the plea agreement. So you

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1 should have that.

2 MR. DONOFRIO: Okay.

3 MR. LUSTBERG: I've given you the
4 judgment. I'll provide the bid documents. If
5 there's anything else -- I'll go through my file,
6 if there's anything else I think would be helpful,
7 I'll go ahead and send it. If there's anything
8 else you need, feel free to call me.

9 MR. DONOFRIO: I'll communicate with
10 you.

11 MR. LUSTBERG: There's nothing that we
12 have that's off limits to you at all, other than

13 stuff that, by court order, I can't provide, such
14 as the presentence report. And I will be happy to
15 provide it, but I'm not allowed to.

16 MR. DONOFRIO: Okay.

17 MR. VOROS: Thank you for coming in.

18 MR. LUSTBERG: Thank you.

19 MR. VOROS: Good luck to you.

20 MR. LUSTBERG: Thank you.

21 MR. YOUNGCLAUS: Thank you very much.

22 MR. LUSTBERG: Thank you.

23

24 (Whereupon the matter was concluded.)

25

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1 C E R T I F I C A T E

2
3
4
5
6 I HEREBY CERTIFY that the foregoing is a
7 true and accurate transcript of the testimony and
8 proceedings as taken stenographically by me at the
9 time, place, and on the date hereinbefore set
10 forth.

11
12
13
14 *Susan Bischoff*
15 SUSAN BISCHOFF, CCR, RPR
16 LICENSE NO. 30XI00233700
17
18

19 dated: February 12, 2016
20
21
22
23
24
25

EXHIBIT G

UNITED STATES DISTRICT COURT
District of New Jersey

UNITED STATES OF AMERICA

v.

Case Number 3:15-Cr.131-(01) (PGS)

JOHN YOUNGCLAUS

Defendant.

AMENDED JUDGMENT IN A CRIMINAL CASE
(For Offenses Committed On or After November 1, 1987)

Date of Original Judgment: December 15, 2015

Reason for Amendment: Modification of Restitution Order (18 U.S.C. § 3664)

The defendant, JOHN YOUNGCLAUS, was represented by Lawrence S. Lustberg, Esq.

The defendant pled guilty to count One of the Information on March 17, 2015. Accordingly, the court has adjudicated that the defendant is guilty of the following offense(s):

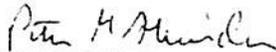
<u>Title & Section</u>	<u>Nature of Offense</u>	<u>Date of Offense</u>	<u>Count Number(s)</u>
18 USC 641 & 2	THEFT/EMBEZZLEMENT OF U.S. PROPERTY	January 2012 - December 2012	One

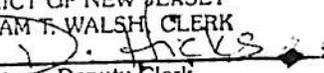
As pronounced on December 15, 2015, the defendant is sentenced as provided in pages 2 through 7 of this Judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

It is ordered that the defendant shall pay to the United States a special assessment of \$100.00, for count One, which shall be due immediately. Said special assessment shall be made payable to the Clerk, U.S. District Court.

It is further ordered that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this Judgment are fully paid. If ordered to pay restitution, the defendant shall notify the court and United States Attorney of any material change in the defendant's economic circumstances.

Signed this the 14th day of January, 2016.


PETER G. SHERIDAN
United States District Judge

I HEREBY CERTIFY that the above and foregoing is a true and correct copy of the original on file in my office.
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
WILLIAM T. WALSH, CLERK
By 
Deputy Clerk

Defendant: JOHN YOUNGCLAUS
Case Number: 3:15-Cr.131-(01) (PGS)

IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a term of 12 Months and 1 Day.

The Court makes the following recommendations to the Bureau of Prisons: Prison Camp at Forth Dix, New Jersey.

The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons.

RETURN

I have executed this Judgment as follows:

At _____ Defendant delivered on _____ To _____, with a certified copy of this Judgment.

United States Marshal

By _____
Deputy Marshal

Defendant: JOHN YOUNGCLAUS
Case Number: 3:15-Cr.131-(01) (PGS)

SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be placed on supervised release for a term of 3 years.

Within 72 hours of release from custody of the Bureau of Prisons, the defendant shall report in person to the Probation Office in the district to which the defendant is released.

While on supervised release, the defendant shall comply with the standard conditions that have been adopted by this court as set forth below.

The defendant shall submit to one drug test within 15 days of commencement of supervised release and at least two tests thereafter as determined by the probation officer.

If this judgment imposes a fine, special assessment, costs, or restitution obligation, it shall be a condition of supervised release that the defendant pay any such fine, assessments, costs, and restitution that remains unpaid at the commencement of the term of supervised release and shall comply with the following special conditions:

ALCOHOL/DRUG TESTING AND TREATMENT

You shall refrain from the illegal possession and use of drugs, including prescription medication not prescribed in your name, and the use of alcohol, and shall submit to urinalysis or other forms of testing to ensure compliance. It is further ordered that you shall submit to evaluation and treatment, on an outpatient or inpatient basis, as approved by the U.S. Probation Office. You shall abide by the rules of any program and shall remain in treatment until satisfactorily discharged by the Court. You shall alert all medical professionals of any prior substance abuse history, including any prior history of prescription drug abuse. The Probation Officer shall supervise your compliance with this condition.

NEW DEBT RESTRICTIONS

You are prohibited from incurring any new credit charges, opening additional lines of credit, or incurring any new monetary loan, obligation, or debt, by whatever name known, without the approval of the U.S. Probation Office. You shall not encumber or liquidate interest in any assets unless it is in direct service of the fine and/or restitution obligation or otherwise has the expressed approval of the Court.

SELF-EMPLOYMENT/BUSINESS DISCLOSURE

You shall cooperate with the U.S. Probation Office in the investigation and approval of any position of self-employment, including any independent, entrepreneurial, or freelance employment or business activity. If approved for self-employment, you shall provide the U.S. Probation Office with full disclosure of your self-employment and other business records, including, but not limited to, all of the records identified in the Probation Form 48F (Request for Self Employment Records), or as otherwise requested by the U.S. Probation Office.

Defendant: JOHN YOUNGCLAUS
Case Number: 3:15-Cr.131-(01) (PGS)

STANDARD CONDITIONS OF SUPERVISED RELEASE

While the defendant is on supervised release pursuant to this Judgment:

- 1) The defendant shall not commit another federal, state, or local crime during the term of supervision.
- 2) The defendant shall not illegally possess a controlled substance.
- 3) If convicted of a felony offense, the defendant shall not possess a firearm or destructive device.
- 4) The defendant shall not leave the judicial district without the permission of the court or probation officer.
- 5) The defendant shall report to the probation officer in a manner and frequency directed by the Court or probation officer.
- 6) The defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer.
- 7) The defendant shall support his or her dependents and meet other family responsibilities.
- 8) The defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons.
- 9) The defendant shall notify the probation officer within seventy-two hours of any change in residence or employment.
- 10) The defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute or administer any narcotic or other controlled substance, or any paraphernalia related to such substances.
- 11) The defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered.
- 12) The defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer.
- 13) The defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view by the probation officer.
- 14) The defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer.
- 15) The defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court.
- 16) As directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics, and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.
- (17) You shall cooperate in the collection of DNA as directed by the Probation Officer.
(This standard condition would apply when the current offense or a prior federal offense is either a felony, any offense under Chapter 109A of Title 18 (i.e., §§ 2241-2248, any crime of violence [as defined in 18 U.S.C. § 16], any attempt or conspiracy to commit the above, an offense under the Uniform Code of Military Justice for which a sentence of confinement of more than one year may be imposed, or any other offense under the Uniform Code that is comparable to a qualifying federal offense);
- (18) Upon request, you shall provide the U.S. Probation Office with full disclosure of your financial records, including co-mingled income, expenses, assets and liabilities, to include yearly income tax returns. With the exception of the financial accounts reported and noted within the presentence report, you are prohibited from maintaining and/or opening any additional individual and/or joint checking, savings, or other financial accounts, for either personal or business purposes, without the knowledge

Defendant: JOHN YOUNGCLAUS
Case Number: 3:15-Cr.131-(01) (PGS)

and approval of the U.S. Probation Office. You shall cooperate with the Probation Officer in the investigation of your financial dealings and shall provide truthful monthly statements of your income. You shall cooperate in the signing of any necessary authorization to release information forms permitting the U.S. Probation Office access to your financial information and records;

(19) As directed by the U.S. Probation Office, you shall participate in and complete any educational, vocational, cognitive or any other enrichment program offered by the U.S. Probation Office or any outside agency or establishment while under supervision;

(20) You shall not operate any motor vehicle without a valid driver's license issued by the State of New Jersey, or in the state in which you are supervised. You shall comply with all motor vehicle laws and ordinances and must report all motor vehicle infractions (including any court appearances) within 72 hours to the U.S. Probation Office;

For Official Use Only - - - U.S. Probation Office

Upon a finding of a violation of probation or supervised release, I understand that the Court may (1) revoke supervision or (2) extend the term of supervision and/or modify the conditions of supervision.

These conditions have been read to me. I fully understand the conditions, and have been provided a copy of them.

You shall carry out all rules, in addition to the above, as prescribed by the Chief U.S. Probation Officer, or any of his associate Probation Officers.

(Signed) _____
Defendant Date

U.S. Probation Officer/Designated Witness Date

Defendant: JOHN YOUNGCLAUS
Case Number: 3:15-Cr.131-(01) (PGS)

RESTITUTION

The defendant shall make restitution to the following persons in the following amounts: \$224,250.00 (per Consent of parties and defendant John Youngclaus).

<u>Name of Payee (Victim)</u>	<u>Amount of Restitution</u>
Housing and Urban Development Collection. Re: John Youngclaus P.O. Box 277303 Atlanta, Georgia 30384-7303	\$224,250.00

Payments of restitution are to be made payable to **U.S. Treasury** and mailed to Clerk, U.S.D.C., 402 East State Street, Rm 2020, Trenton, New Jersey 08608 for distribution to the victim(s). Housing and Urban Development Collection,

It is recommended that the defendant participate in the Bureau of Prisons Inmate Financial Responsibility Program (IFRP). If the defendant participates in the IFRP, the restitution shall be paid from those funds at a rate equivalent to \$25 every 3 months. In the event the entire restitution is not paid prior to the commencement of supervision, the defendant shall satisfy the amount due in monthly installments of no less than \$500, to commence 30 days after release from confinement.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) community restitution, (6) fine interest, (7) penalties, and (8) costs, including cost of prosecution and court costs.

Defendant: JOHN YOUNGCLAUS
Case Number: 3:15-Cr.-131-(01) (PGS)

FORFEITURE

FORFEITURE

The defendant is ordered to forfeit the following property to the United States:

Consent of Judgment and Order of Forfeiture (Money Judgment) as filed.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) community restitution, (6) fine interest, (7) penalties, and (8) costs, including cost of prosecution and court costs.

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