

# Grand Jury Indicts Former Newark Mayor

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NEWARK, N.J. (AP) - Sharpe James, mayor of this struggling city for 20 years, was indicted Thursday on corruption charges alleging that he spent city money extravagantly on himself and several women, and that he helped one of his companions rake in more than \$500,000 on the fraudulent sale of city land.

James, 71, is accused of using city credit cards for more than \$58,000 in personal expenses during trips to locations including Martha's Vineyard, Puerto Rico, the Dominican Republic and Rio de Janeiro. He's charged with conspiracy, mail and wire fraud and with engineering the cut-rate sale of city properties.

James, a Democrat who stepped down as mayor last year but remains a state senator, helped bring in development to downtown Newark, including the New Jersey Performing Arts Center and a controversial city-subsidized hockey arena to open this fall.

He failed, however, failed to make significant progress in combatting crime, poverty and decay in the outlying neighborhoods of this city. Newark is still trying to move beyond its deadly 1967 riots, which began 40 years ago Thursday.

"Sharpe James' long history in this city is forever scarred by the allegations contained within this indictment today," U.S. Attorney Christopher J. Christie said. "Sen. James used both his office as mayor and his office as state senator as a personal piggy bank."

James surrendered to the FBI after the indictment was announced. He appeared in court Thursday afternoon in handcuffs, answering "Yes, I do," when asked whether he understood the charges he was facing. The judge set bail at \$250,000 and ordered James to surrender his passport and stay within the state.

Hours after the brief hearing, James walked out of the courthouse with his attorneys, promising vindication.

"I am innocent of all these charges and I look forward to my day in court where the truth will be told," he said before getting into a waiting car.

Ethical questions have long surrounded James, who has a home on the Jersey shore, a yacht and a Rolls-Royce. Tom Wilson, the state Republican Party chairman, blamed Democratic leaders for tolerating James' ethics lapses and called on James to resign from the Senate.

Democratic Gov. Jon S. Corzine and Senate President Richard J. Codey said the accusations were best addressed in court.

The credit card charges occurred between 2001 and 2006. The expenses include luxury hotel suites, expensive meals, air fare; car rentals - including one for a Jaguar convertible - and a trip to Florida to test drive a Rolls-Royce the former mayor was considering purchasing, according to the indictment.

In one case, James allegedly used a city credit card to pay for a penthouse suite on a cruise scheduled for six weeks after he left office.

Tamika Riley, one of eight women who accompanied James on the trips, also was charged with fraud.

The indictment charges that James improperly steered properties to Riley and helped her resell at least seven properties at much higher prices. Riley, publicist and former Newark clothing store operator, was able to buy the properties even though she lacked real estate and construction experience and the financial wherewithal to rehabilitate the properties, the indictment alleges.

In one deal, Riley bought a city-owned lot for \$6,000 on Aug. 3, 2001, then sold it for \$155,000 less than three months later, according to the indictment.

Meanwhile, Riley raised and donated campaign funds for James and traveled with him, the indictment alleges.

Riley, 38, of Jersey City, was arrested by the FBI and appeared in court Thursday; her bail was set at \$100,000. Calls to her lawyer were not returned.

Under federal advisory guidelines governing sentencing, James could face seven to eight years if he is convicted on all counts. However, the judge has the authority to impose a much stiffer penalty - as much as 20 years on some individual counts.

James first entered public life with a seat on Newark's city council in 1970 and in 1986 was elected mayor, a post he held until he decided against seeking a new term last year. He became a state senator in 1999 and in 2004 became vice chair of the powerful Senate budget committee; earlier this year he announced that he would not seek another term.

The former mayor has said little publicly since federal investigators notified him last month that he was the target of a corruption probe.

In a handwritten letter to The Associated Press dated June 16, James said he never had the power to broker land deals or set prices by himself.

He earns \$49,000 a year as a state senator and collects an annual pension of about \$125,000 from Newark.

Additionally, he accrued more than \$1 million in a retirement account at Essex County College, where he worked two decades ago. Last week he withdrew \$500,000 from his retirement account, state Treasury Department spokesman Tom Vincz said.

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Associated Press writers David Porter in Newark and Tom Hester Jr. in Trenton contributed to this report.



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