



*United States Attorney
District of New Jersey*

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**FORMER JERSEY CITY BOARD OF EDUCATION PRESIDENT AND ACTING
EXECUTIVE DIRECTOR OF JERSEY CITY EMPLOYMENT AND TRAINING
PROGRAM AND ASSOCIATE CHARGED WITH EMBEZZLEMENT, MONEY
LAUNDERING AND FRAUD**

NEWARK, N.J. – The former president of the Jersey City Board of Education (JCBOED) and former Acting Executive Director of the Jersey City Employment and Training Program (JCETP) and an Ocean County, New Jersey, attorney were indicted today for embezzlement, money laundering, and fraud in connection with multiple criminal schemes, U.S. Attorney Craig Carpenito announced.

The former president of the Jersey City Board of Education (JCBOED) and former Acting Executive Director of the Jersey City Employment and Training Program (JCETP) and an Ocean County, New Jersey, attorney were indicted today for embezzlement, money laundering, financial fraud in connection with multiple criminal schemes, U.S. Attorney Craig Carpenito announced.

Sudhan M. Thomas, 45, of Jersey City, New Jersey, was charged in a 26-count indictment with embezzling funds from JCETP, an organization receiving federal funds (Count 1), and wire fraud (Counts 2 to 6) and money laundering (Counts 7 to 9) in connection with the JCETP theft. In connection with other schemes, Thomas was charged with wire fraud for embezzling money from his 2016 JCBOED campaign (Count 10); wire fraud for embezzling money from his 2019 JCBOED campaign (Counts 11 and 12); bank fraud for stealing checks issued by and to another JCBOED candidate's campaign in 2018 (Counts 13 and 14); and mail and wire fraud for schemes to defraud two separate Florida companies (Counts 15 to 26). Thomas was charged by criminal complaint in January 2020 with embezzling funds from JCETP and was released on a \$75,000 unsecured bond.

Paul H. Appel, 78, of Point Pleasant, New Jersey, also is charged as Thomas' accomplice in Counts 1, 7 to 10, and 15 to 26 of the indictment.

According to documents filed in this case and statements made in court:

Thomas served as JCETP's acting executive director from January 2019 until his resignation in July 2019. JCETP is a nonprofit organization that operates to assist Jersey City residents to prepare for and enter the workforce. JCETP received substantial amounts of funding from federal grants from the U.S. Department of Labor and the U.S. Department of Housing and Urban Development.

Using his access to JCETP funds and control of JCETP's bank accounts, from March 2019 through July 2019, Thomas embezzled more than \$45,000 from JCETP. Thomas caused checks to be drawn from JCETP accounts that were made payable to others, but ultimately received by Thomas or used to pay his debts and expenses. For example, Thomas caused certain checks to be issued to Appel, who is an attorney, and Appel then redirected the funds to Thomas, including by issuing checks made payable to Next Global, an entity for which Thomas was a director, which were then deposited into a bank account for Next Global that Thomas controlled. Thomas also embezzled JCETP funds by issuing JCETP checks made out to cash that Thomas either cashed himself or used to obtain bank checks that Thomas made payable to Next Global, which were deposited into a bank account for Thomas' personal use.

Thomas ran for and was elected to a seat on the JCBOED in 2016, ultimately serving as vice president and then president of the JCBOED. Appel served as treasurer for Thomas's 2016 campaign. From September 2016 to November 2016, Thomas and Appel collected campaign contributions and deposited them into a bank account opened for the 2016 campaign that they both controlled. Under the guise of collecting repayments for loans to the campaign or reimbursement for other purported campaign-related expenses, Thomas and Appel embezzled more than \$8,000 from Thomas's 2016 campaign for their own personal use.

Thomas ran for re-election to the JCBOED in 2019. From June 2018 to August 2019, Thomas collected campaign contributions and deposited them into two bank accounts opened for the 2019 campaign. Under the guise of collecting repayments for loans to the campaign, Thomas embezzled approximately \$6,000 from the 2019 campaign by causing checks to be issued from the campaign bank accounts made payable to Thomas, and then cashed those checks or deposited them into a bank account for Thomas's personal use.

In November 2018, Thomas informally advised a candidate in the 2018 JCBOED election. He falsely represented to that candidate's campaign that he required \$100 checks to pay eight separate individuals who worked on the candidate's campaign. When the campaign provided Thomas with the requested checks, Thomas fraudulently endorsed the checks and deposited them into a bank account for his personal use. In addition, Thomas obtained a \$1,000 contribution check made payable to the candidate's 2018 campaign committee; Thomas fraudulently endorsed that check and deposited it into a bank account for his personal use.

In 2016, Thomas and Appel entered into an agreement with a Florida-based technology company to purportedly expand the company's business through a debit card program. Between May 2016 and October 2016, Thomas and Appel made false representations regarding work they were allegedly undertaking pursuant to the agreement and induced the technology company to wire them a total of \$48,500. Thomas and Appel ultimately diverted the company's funds to their own bank accounts and used them to pay personal expenses (including payments to Thomas'

landlord, tuition for Thomas's relative, and payments for Appel's credit and debit card expenses) without providing any meaningful services or generating any business as required under the agreement, or spending any substantial parts of the funds provided by the technology company towards fulfilment of the agreement.

In 2016, Thomas and Appel entered into another agreement with a Florida-based housing company in connection with the purported sale of modular homes to veterans and the homeless. Between October 2016 and April 2017, Thomas and Appel made false representations regarding work they would undertake pursuant to the agreement in order to collect monthly \$2,000 payments from the housing company. The housing company made five \$2,000 payments to Thomas and Appel between November 2016 and March 2017. Thomas and Appel misappropriated the funds without providing any meaningful services or generating any business as required under the agreement, or spending any substantial part of the funds towards fulfilment of the agreement.

The charges in the indictment carry the following maximum penalties:

| Offenses Charged | Maximum Term of Imprisonment | Maximum Fine |
|--|-------------------------------------|---------------------|
| Theft from a federally-funded organization | 10 years | \$250,000 |
| Wire fraud | 20 years | \$250,000 |
| Mail fraud | 20 years | \$250,000 |
| Bank fraud | 30 years | \$1 million |
| Money laundering | 20 years | \$500,000 |

U.S. Attorney Carpenito credited special agents with the FBI, under the direction of Special Agent in Charge George M. Crouch Jr., and special agents of the U.S. Department of Labor, Office of Inspector General, New York Region, under the direction of Special Agent in Charge Michael C. Mikulka with the investigation leading to the charges.

The government is represented by Assistant U.S. Attorney Tazneen Shahabuddin of the Special Prosecutions Division in Newark.

The charges and allegations contained in the indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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Defense counsel:

Thomas: TBD

Appel: Frank P. Arleo Esq., West Orange, New Jersey