



U.S. Department of Justice

*United States Attorney
District of Maryland*

*Stephen M. Schenning
Acting United States Attorney*

*Elizabeth Morse
Public Affairs Specialist*

*36 S. Charles Street
Fourth Floor
Baltimore, Maryland 21201-2692*

*410-209-4800
TTY/TDD: 410-962-4462
410-209-4885
FAX 410-962-3091
Elizabeth.Morse@usdoj.gov*

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**Contact ELIZABETH MORSE
at (410) 209-4885**

**FORMER BALTIMORE CITY DEPARTMENT OF TRANSPORTATION
SUPERVISOR PLEADS GUILTY TO TAKING THOUSANDS IN BRIBES**

Baltimore, Maryland – Daryl Christopher Wade, age 50, of Rosedale, Maryland, pleaded guilty today to Extortion Under Color of Official Right related to an extortion scheme.

The charges were announced by Acting United States Attorney for the District of Maryland Stephen M. Schenning; Special Agent in Charge Gordon B. Johnson of the Federal Bureau of Investigation, Baltimore Field Office; and Inspector General Isabel Mercedes Cumming of the Baltimore City Office of Inspector General.

Wade was a City of Baltimore employee between 1988 through 2017 and was most recently employed by the Baltimore City Department of Transportation (“DOT”) as a Construction Project Supervisor II within the DOT’s Street Cut Unit. The DOT Street Cut Unit helps to monitor and administer fines associated with street cuts and street cut permits. According to the criminal information and the plea agreement, Wade used his official position at City of Baltimore’s Department of Transportation to claim that he could void street cut fines in return for payments.

According to the plea agreement, Wade accepted multiple cash payments with Jerome Walter Stephens, an owner of a Maryland construction and utilities company, in exchange for claiming that he could erasing his street cut fines. Baltimore City street cut permits are required for companies who need to impede into a public street, alley, sidewalk, or other right-of-way for purposes of construction. The street cut permits are valid for 120 days before they expire and a fine is assessed by DOT at \$50 per day for each street cut not repaired past the expiration date.

Stephens has an arraignment scheduled for March 27, 2018.

According to the plea agreement, from 2012 until 2015, Stephens paid Wade approximately five bribes, totaling approximately \$700, in order for Stephens to avoid being fined for delinquent street cuts throughout the City of Baltimore. The agreement between

Stephens and Wade was that Wade would monitor Stephens street cuts that were past their expiration date and would alert Stephens to complete his street cuts in advance of fines being entered into the DOT fine system. In return, Stephens would "look out" for Wade by providing him cash and gift cards, ranging from \$50 to \$500.

Attempted Extortion of Person A

Also according to the plea agreement, Wade and Stephens either attempted to or actually extorted other business owners throughout Baltimore. In one such instance, Person A was the Vice President of a Virginia based company that provided all phases of underground utility construction and sewer rehabilitation throughout the east coast and had approximately \$55 million in contracts with the City of Baltimore to restore and/or replace water and sewer lines throughout the City. Person A's efforts to restore and/or replace water and sewer lines throughout Baltimore was in accordance with the City of Baltimore's consent decree agreement with the Environmental Protection Agency (Civil Action No. JFM-02-1524). The purpose of the consent decree was to take all measures possible to enable Baltimore to comply with the Clean Water Act including addressing the City's sewer lines discharging untreated sewage into the Back River, Patapsco River and the Chesapeake Bay. In order to complete those contracts, Person A's company conducted street cuts to reach water and sewer lines to restore and/or replace these water and sewer lines.

On January 12, 2016, Person A received a text message from Stephens. The text message from Stephens to Person A stated, "[g]ood morning [Person A] this is Jerome Stephens from A&A Construction. "I have something to tell you that you may be interested in. saving a lot of money for you. call me." Person A knew Stephens prior to this text message based on work that Stephens's company had performed within the City of Baltimore. Person A's company had not previously employed Stephens.

On January 14, 2016, Person A met with Stephens at one of Person A's offices, located in Prince George's County, Maryland. Person A attempted to speak with Stephens in the presence of a member of Person A's staff to discuss the January 12, 2016 text message, but Stephens instead asked that they go on a car ride. During that car ride, Stephens told Person A that Person A's company would be receiving \$1.3 million in street cut fines from the street cuts unit in the near future. This was the first that Person A had learned of the \$1.3 million in perspective fines. Stephens then said he had a connection in the street cuts unit that could reduce the \$1.3 million in fines by 80% to \$260,000, if Person A paid 20%, a \$52,000 bribe, to Stephens's connection. Stephens next proposed to Person A the possible payment options, including cash or money orders. Person A rejected both of these proposals.

Also during the car ride, Stephens made a telephone call to Wade. This call was witnessed by Person A, but Stephens never told Person A that it was Wade on the call, instead Person A believed that Stephens was talking to his connection in the street cuts unit. As Stephens was on the phone with Wade, Stephens stated to Person A that the \$52,000 was for more than just one person. Person A believed that Stephens was repeating from the person on the other end of the call (Stephens's connection), the fact that more than one person was involved. Stephens also stated something to the effect of: if you want to play you got to pay.

Stephens further claimed that he did not want any money as part of the reduction of the fines, but wanted subcontracting work from Person A's company. Finally, Stephens explained that he would attempt to work out the details with his connection and get back to Person A. Person A made clear that he was not interested in paying the \$52,000 bribe and would sue the City of Baltimore over the fines if necessary. Finally, between late April 2016 and early May 2016, Stephens and Wade had four separate conversations regarding their solicitation of the bribe from Person A. Wade explained to Stephens that the bribe amount in question was too large and for that reason, Wade was not comfortable with this attempted bribe.

Extortion of Person B

According to the plea agreement, in February 2016, Person B, a local Baltimore business owner, began renovations on a restaurant in Baltimore, Maryland. The restaurant's physical plant required a complete overhaul. Included in this overhaul was increasing the size of the restaurant's water lines and their attachment to the City's exterior water supply, both of which were located beneath the City road. The increased water supply would allow the restaurant's fire sprinklers to function effectively. Person B's renovations to the restaurant included purchases of items from out of the state of Maryland. Person B hired Stephens to overhaul the water lines into Person B's business.

In July 2016, Stephens informed Person B that he (Stephens) would have to cut into the road. Stephens informed Person B that the complete repaving, from curb to curb, had an estimated additional cost to Person B of between approximately \$10,000 to approximately \$12,000 but said he had a connection "downtown" in the City of Baltimore who could save Person B on the costs associated with completely repaving if Person B was willing to pay a bribe. Due to Person B's limited budget, and the fact that the street had already been cut, Person B agreed to pay Wade a \$2,200 to only have to repave the smaller sections of the road.

In July 2016, as a result of the need to overhaul the water lines and the attachment, Stephens informed Person B that he (Stephens) would have to cut into the City road. Person B applied for a permit to perform the necessary street cut, however the permit was delayed, and in the interim, the City paved new asphalt on the entire street, from curb to curb, within the boundary lines of the City road.

As a result of the City's application of new asphalt from curb to curb, and only after Stephens performed street cuts into the road, did Stephens inform Person B that Person B would have to completely repave the road once Stephens was done. Stephens informed Person B that the complete repaving, from curb to curb, had an estimated additional cost to Person B of between approximately \$10,000 to approximately \$12,000. Stephens knew that Person B was on a limited budget and had not budgeted to completely repave the City road. Stephens then told Person B that he (Stephens) had a connection "downtown" in the City of Baltimore who could save Person B on the costs associated with completely repaving the City road if Person B was willing to pay a bribe. Specifically, Stephens told Person B that if Person B paid Stephens' City connection a bribe, by way of Stephens, Person B would not have to completely repave the road from curb to curb, but instead could complete two smaller patches specifically over Stephens' street cuts, thereby

avoiding the additional approximately \$10,000 to \$12,000 cost. Due to Person B's limited budget, and the fact that the street had already been cut, Person B agreed to pay the bribe to Stephens' connection in the City in order to repave the smaller areas with patches.

In early July 2016, Stephens and Wade discussed Person B paying Wade a bribe in exchange for allowing Person B to patch two smaller areas, approximately six-by-six feet, on the road. Stephens and Wade discussed how much Wade would accept and Wade agreed to a \$2,200 bribe for allowing Person B to repave the smaller sections of the City road.

On July 15, 2016, Person B gave Stephens \$2,200 in cash for Stephens to pay as a bribe to Stephens' Baltimore City connection in exchange for allowing for the patching of the two smaller sections of the road. Stephens then gave Wade the \$2,200 bribe. Stephens next contacted Person B and told Person B that Wade was the inspector who needed to look at the street cuts in the road before it was repaved. Subsequently, Wade drove his Baltimore City vehicle to the City road in order to make it appear that he had inspected the street cuts and that two smaller patches were appropriate, when in fact Wade had already been paid the \$2,200 bribe to allow Person B to not have to completely repave the road from curb to curb. After Wade went to the road, he sent a text message to Stephens where he described the smaller patches by stating, "[o]ne patch is great (other than not goin [sic] to the curb) and the other is shitty. Lines like a [sic] 7 yr old did them."

Extortion of Person C

According to the plea agreement, Person C, who ran a plumbing and drain construction business in Baltimore, Maryland, was previously fined approximately \$17,000 for street cuts in Baltimore City. In March 2016, Person C attended a Baltimore City street cut appeal hearing regarding the fine. In attendance at the hearing were Person C and Baltimore City employees including Wade. During the hearing, Person C explained to the attendees, that he was not responsible for acquiring permits for the work site and therefore should not be held liable for the fines. Wade stopped the hearing, stating that he had heard enough and that the fines determination was on hold pending further review. Wade then requested to speak with Person C outside the hearing. Once outside the hearing, Wade explained to Person C that if Person C helped Wade that he would help Person C.

On September 19, 2016, Person C participated in a recorded telephone conversation with Wade, where Person C explained that he did not have money to pay the \$17,000 fine. Following this call, Wade met in-person with Person C and asked Person C "what is it worth to you?" Person C understood that this meant that if he (Person C) paid Wade, Wade would void the \$17,000 fine. Person C stated, it would be worth \$5,000 for him to pay Wade to remove the fine. Wade accepted the \$5,000 offer. Wade told Person C that after making the \$5,000 payment, Person C would not have to worry about any future fines.

On September 22, 2016, Person C paid Wade the first \$3,000 in cash. Wade arrived at the meeting driving a Baltimore City issued government vehicle. At the direction of Wade, Person C threw the \$3,000 into Wade's Baltimore City government vehicle. After the money was in his Baltimore City government vehicle, Wade stated "you good for life with me . . ." and later laughed and further stated to Person C, "we in cahoots now . . ." On September 28, 2016, Person C paid

Wade the remaining \$2,000 in cash and when asked about the status of the \$17,000 fine Wade explained to Person C, “the 17 gone away You ain’t gonna see nothing” referring to the fact that Person C was no longer responsible for the \$17,000 fine.

Wade faces a maximum sentence of 20 years in prison. U.S. District Judge Catherine C. Blake has scheduled sentencing for August 10, 2018 at 9:30 a.m.

Acting United States Attorney Stephen M. Schenning commended the FBI and Baltimore City Office of Inspector General for their work in the investigation. Mr. Schenning thanked Assistant U.S. Attorneys Phil Selden and Leo Wise, who are prosecuting the case.