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**Department of Justice**

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Thursday, July 14, 2016

## **Former New Jersey Attorney General And Chairman Of The Port Authority Board Of Commissioners Pleads Guilty To Bribery**

***Former New Jersey Transportation Commissioner Also Charged in Bribery Scheme***

***United Continental Holdings Inc. Agrees to Reforms, Will Pay \$2.25 Million Penalty***

NEWARK, N.J. – David Samson, the former chairman of the Board of Commissioners of the Port Authority of New York and New Jersey, today pleaded guilty to bribery for using his official authority to pressure the parent company of United Airlines Inc. to institute a non-stop flight from Newark to South Carolina for his personal benefit.

Jamie Fox, who at the time was a paid consultant and lobbyist for United Continental Holdings Inc. (United), the Chicago-based parent company of United Airlines Inc., was charged in a separate criminal complaint with conspiring to commit bribery. United, which operated the route between Newark Liberty International Airport and Columbia Metropolitan Airport in South Carolina solely because Samson wanted it to travel to his house in South Carolina, entered into an agreement with the U.S. Attorney's Office to cooperate, to institute substantial reforms to its compliance program, and to pay a \$2.25 million penalty.

These matters were announced today by U.S. Attorney Paul J. Fishman, Inspector General Michael Nestor of the Port Authority of New York and New Jersey, Office of Inspector General, and Special Agent in Charge Timothy Gallagher of the FBI's Newark Division.

"This kind of case shakes public confidence in our institutions of government when people who are so accomplished, and who have occupied so many positions of public trust, misuse their authority to get something for themselves," U.S. Attorney Fishman said. "It's a betrayal of our trust and what we have the right to expect from those in public life and it makes the job of every honest public employee just that much harder."

“This case should serve as a strong wake-up call and warning to those public servants at all levels, who might consider abusing their official positions for their personal benefit, or the benefit of others,” Inspector General Nestor said. “They should focus their efforts on fulfilling their agency’s mission without any consideration for how the agency can be misused for personal and other improper purposes.”

“The FBI’s stance on public corruption is that of zero tolerance and therefore one of our highest priorities,” Special Agent in Charge Gallagher said. “We in the FBI believe that public corruption is among the most serious of criminal violations. It is a betrayal of the public’s sacred trust. If allowed to grow, public corruption permeates all aspects of society and affects all other criminal priorities. And if allowed to spread unchecked, public corruption can threaten the very foundation of democracy. These charges reflect the FBI’s commitment to fighting public corruption and we will continue to aggressively pursue those that participate in these types of crimes.”

Samson, 76, of Aiken, South Carolina, who served as New Jersey Attorney General from 2002 to 2003 and was the founding member and chairman of the law firm Wolff & Samson PC, pleaded guilty today before U.S. District Judge Jose L. Linares in Newark federal court to an information charging him with one count of bribery. Fox, 61, of Lambertville, New Jersey, who was the commissioner of the N.J. Department of Transportation from September 2014 to October 2015, was charged separately with conspiring with Samson to commit bribery. Fox will have an initial appearance at a date to be determined.

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

The Port Authority operates Newark Airport, one of United’s largest hubs. In September 2011, several months after Samson became the chairman of the Port Authority, Samson and Fox met with representatives of United for dinner at a restaurant in New York. During that dinner and following a discussion of certain of United’s priorities for Newark Airport, Samson told the United representatives that Continental Airlines Inc., a predecessor of United, used to have non-stop flight route between Newark Airport and Columbia Airport, and that the route had made his travel from New Jersey to his home in South Carolina more convenient. A United representative responded that United generally stopped flying routes because they were not profitable, but told Samson that United would look into reinstating the Newark/Columbia route.

Subsequent to this dinner and additional inquiries from Fox on Samson’s behalf, United concluded that reinstating the Newark/Columbia route would not be profitable and communicated United’s lack of interest to Fox. Samson and Fox used Samson’s official position and authority as chairman of the Port Authority’s Board of Commissioners – which included control over the board’s agenda – to pressure United to reinstate the Newark/Columbia route. In November 2011, Samson and Fox were aware that an agreement between United and the Port Authority relating to United’s construction of a wide-body maintenance hangar at Newark Airport was to be presented to the Port Authority Board for its consideration at its Nov. 5, 2011, meeting. In an email exchange between Samson and Fox on Nov. 2, 2011, Samson and Fox discussed using Samson’s official authority to remove from the agenda the hangar agreement for the purpose of pressuring United to reinstate the Newark/Columbia route. Samson wrote Fox that he was “reviewing current Board agenda items of interest.” Referring to the hangar agreement, Fox suggested to Samson that “[m]aybe it needs further review!!!!!!,” to which Samson responded “[y]es, it’s already off this month’s agenda: I hate myself.” Following through on this exchange with Fox, Samson caused the hangar agreement to be removed from the Port Authority Board’s agenda.

In advance of the board’s next meeting on Dec. 8, 2011, Samson and Fox continued to use Samson’s official authority to pressure United. On multiple occasions, Fox communicated to United that its failure to

reinstate the route had made Samson angry and was having a negative impact on United's relationship with the Port Authority. Samson and Fox also discussed further using Samson's official authority over the board's agenda to pressure United. On Dec. 7, 2011, the day before the Port Authority Board's meeting, Samson sent Fox an email telling him that Samson had given instructions to remove the hangar agreement from the agenda. Fox responded that he thought it was a good time to put the agreement back on the agenda and Samson agreed to do so. The Port Authority Board then considered the hangar agreement on Dec. 8, 2011, and approved it. Fox later emailed Samson: "Finally have their [United's] attention. Having item off/on this week worked," referring to the hangar agreement.

As a result of the repeated use of Samson's official authority to pressure United by Samson and Fox, United decided to reinstate the Newark/Columbia route. Based on Samson's preferred travel schedule to South Carolina, which Fox communicated to United, the airline implemented a weekly schedule that only included flights from Newark Airport to Columbia Airport departing at 6:00 p.m. on Thursdays (with a returning flight the same night) and from Columbia Airport to Newark Airport departing at 6:20 a.m. on Mondays (after a flight to Columbia Airport the evening before). United began flying the Newark/Columbia route in September 2012 and operated the route until March 2014. Samson used the Newark/Columbia route on 27 occasions between October 2012 and January 2014. Samson and others referred to the Newark/Columbia route as the "Chairman's Flight" and Fox referred to it as "Samson Air."

Samson faces a maximum statutory penalty of 10 years in prison and a fine of \$250,000 or twice the gross gain or loss from the offense. Pursuant to the terms of the plea agreement between Samson and the U.S. Attorney's Office, the maximum prison term that can be imposed on Samson is 24 months. The count with which Fox is charged carries a maximum potential penalty of five years in prison and a fine of \$250,000 or twice the gross gain or loss from the offense.

United has entered into an agreement with the U.S. Attorney's Office regarding its conduct and the conduct of its employees in relation to the Newark/Columbia route. United personnel understood that Samson wanted the route reinstated for his own personal use and that failing to reinstate it could adversely affect United's business interests. United's decision to reinstate the route departed from its standard process for adding a route to United's network, which included forecasts on how the route could be expected to perform, multiple levels of review, and presentation to a group of senior United executives. Consistent with analyses performed both before and after the decision to reinstate the route, United lost money by operating the route. United has acknowledged that at no time prior to reinstating the route did United consult with any legal counsel or compliance personnel, and United failed to report discussions about the Newark/Columbia route to law enforcement.

In addition to the monetary penalty, United agreed to cooperate with the U.S. Attorney's Office, to report periodically to the Office during a two-year period concerning United's compliance efforts, and to continue to implement an enhanced compliance program designed to prevent and detect bribery and corruption violations. If United abides by the terms of the agreement, the Office has agreed not to prosecute United for its conduct relating to the Newark/Columbia route.

The agreement acknowledges United's extensive, thorough, timely, and voluntary cooperation, including disclosing all non-privileged information regarding the conduct of its employees and agents related to the Newark/Columbia route, conducting an internal investigation, making its employees available for interviews, producing documents and other materials, and making multiple presentations to the Office. United has engaged in early and extensive remediation, including improving its Ethics and Compliance Office, enhancing its global code of conduct and anti-bribery/anti-corruption policies, conducting extensive anti-bribery/anti-corruption training, separating from certain employees involved in the conduct relating to the Newark/Columbia route, and developing a third-party due diligence process and compliance audit.

U.S. Attorney Fishman credited criminal investigators of the Port Authority, Office of Inspector General, under the direction of Inspector General Nestor; special agents of the FBI, under the direction of Special Agent in Charge Gallagher, and criminal investigators of the U.S. Attorney's Office, for the investigation leading to today's charges and guilty plea.

The government is represented by Assistant U.S. Attorneys Vikas Khanna and Lee M. Cortes Jr. and Senior Litigation Counsel J Fortier Imbert of the U.S. Attorney's Office Special Prosecutions Division and Assistant U.S. Attorney Steven G. Sanders, Deputy Chief of the Appeals Division.

The charge and allegations contained in the federal criminal complaint against Fox are merely accusations and the defendant is presumed innocent unless and until proven guilty.

Defense counsel:

Samson: Michael Chertoff Esq., Washington, D.C., & Justin Walder Esq., Hackensack, N.J.

Fox: Michael Critchley Esq., Roseland, N.J.

United Continental Holdings Inc.: Jenner & Block LLP, Chicago

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