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Jury divided on whether contractor's loan to Palm Beach official was gift



Chaz Equipment president Gary Czajkowski takes the stand in his corruption trial on Tuesday.

(J. Gwendolynne Berry/The Palm Beach Post)

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Depending on whom you ask, Chaz Equipment president Gary Czajkowski's \$25,000 loan to Town of Palm Beach construction manager Steven White was either an unpaid debt between two friends or a gift meant to encourage White to help get Chaz more public construction jobs.

The two extremes argued before jurors in Czajkowski's trial over the past week apparently have flummoxed the six jurors now deciding the case. Several hours after testimony ended today with Czajkowski taking the stand to refute White's claims that the contractor had forgiven the loan, jurors sent a note to Circuit Judge Stephen Rapp that they were unable to agree on a verdict.

The judge sent them home and asked them to return Wednesday morning, where they are expected to continue deliberating.

Czajkowski could face up to 15 years in prison if jurors convict him on a single count of unlawful compensation or award for official behavior.

On the witness stand, Czajkowski told jurors the money was supposed to go towards land White wanted to purchase for a hunting spot in New York. White, currently serving 42 months in prison after taking a plea for his role in a widespread corruption case prosecutors called “Operation Dirty Water,” testified Monday that the deal fell through but Czajkowski told him he could keep the money.

But Czajkowski said he fully expected White to pay him back. He told jurors he wasn’t even aware that White’s land deal fell through until after White was arrested in 2010 on charges that he used his position as the town’s construction manager to take bribes from contractors at Dee Griffin Earthworks and Chaz Equipment in exchange for influencing his bosses to send emergency construction contracts their way.

When defense attorney Mark Shapiro asked Czajkowski this morning why he loaned White the money, Czajkowski gave two reasons: White was his friend and he trusted him.

“Whenever I talked to him about it, he always gave me the warm and fuzzy feeling that, ‘Gary, I know I owe you the money and as soon as I get it I will pay you back,’” Czajkowski said, explaining that White said he was waiting on someone else to repay him money he was owed before he could pay Czajkowski.

Prosecutors Daniel Funk and Jessica Johnston in closing arguments said testimony about Czajkowski and White’s relationship belied claims that the two were friends. Czajkowski had never been to White’s house, had only met his girlfriend twice and had met the man’s mother and stepfather twice to discuss unrelated business deals, the prosecutors said.

White made the guest list for a birthday celebration for Czajkowski, prosecutors said, but so did many other business associates. Prosecutors told jurors that even a Texas hunting trip White traveled to aboard Czajkowski’s private plane was more business perk than a trip among friends.

Funk said the fact that Czajkowski gave White the money in cash and never had White sign for the loan showed that it was either intended to be a gift.

“If it’s a gift, you don’t ask for it back. If it’s a gift, you don’t put terms on it,” Funk said. “The only explanation for it is that he gave it corruptly, in order to influence Steve White to make the decisions that he made.”

Shapiro and defense attorney Doug Duncan, however, said a friendship was all there was between the two, adding that Chaz Equipment won contracts with the town because it did good work and often underbid other companies.

In the defense's last words to jurors, Shapiro characterized the state's case as "an Alice in Wonderland story," built purely on speculation and conjecture.

Shapiro told the group that it was laughable that prosecutors would fault Czajkowski for not getting a promissory note, setting a repayment schedule or taking other steps to formalize the loan, asking them to think about their personal lives and whether the personal loans they've handled between friends were always memorialized on paper.

As for White, Shapiro said he changed his story about the loan too many times to be a credible witness, first telling investigators he had repaid the loan, before telling them he had given back \$5,000 and then telling them Czajkowski had erased the debt.

"I'm not saying Steve White is a liar," Shapiro said. "But he is badly mistaken."

Czajkowski's arrest preceded those of more than a dozen city and municipal workers from Palm Beach County, the Treasure Coast and elsewhere as part of Operation Dirty Water. Most other defendants in the case have accepted plea agreements.