



***United States Attorney
District of New Jersey***

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**FORMER DIRECTOR OF CONSTRUCTION FOR P.C. RICHARD & SON
SENTENCED TO PRISON FOR ACCEPTING \$80,000 IN BRIBES**

NEWARK, N.J. – The former Director of Construction for P.C. Richard & Son Corporation was sentenced today to five months in prison and five months of home confinement for accepting \$80,000 in bribes from a New Jersey-based construction company, United States Attorney Paul J. Fishman announced.

John Pietsch, 50, of Suffolk County, N.Y., pleaded guilty in August before United States District Judge Dickinson R. Debevoise to an Information charging him with a count of traveling and causing the travel in interstate commerce to promote and facilitate commercial bribery. Judge Debevoise also imposed the sentence today in Newark federal court.

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

Pietsch worked as the Director of Construction for P.C. Richard & Son Corporation, which owns and operates the P.C. Richard & Son chain of electronic and consumer appliance stores. In that capacity, Pietsch had the authority to determine which companies would manage the construction of P.C. Richard's facilities. Pietsch admitted that in 2008 he agreed to accept cash payments from David Slabon, the president of Designline Construction Services – a commercial construction company based in Eatontown, N.J. – in exchange for steering P.C. Richard to award construction contracts to Designline. Pietsch admitted that he accepted \$80,000 in cash bribes from Slabon.

In a related case, Slabon pleaded guilty in July to his involvement in a scheme to defraud P.C. Richard by submitting fraudulently inflated invoices in connection with Designline's construction work on a large warehouse and office facility being built for P.C. Richard in Carteret, N.J. As a result of this scheme, Designline overbilled P.C. Richard approximately \$2.5 million for construction work and services that were never performed. In addition to Slabon, three former employees of Designline have pleaded guilty in connection with their roles in this overbilling scheme: Mark Cherchio and Rick Zarkos entered guilty pleas before Judge Debevoise on July 12, 2010, and Georges Chalemin entered his guilty plea before Chief United States District Judge Garrett E. Brown Jr. in Trenton federal court on June 22, 2010.

Slabon also pleaded guilty and admitted to his involvement in an unrelated scheme to pay kickback payments to the former CEO of Charlie Brown's Acquisition Corporation, the company that operates the Charlie Brown's chain of restaurants. Specifically, at his plea hearing on July 19, 2010, Slabon admitted that he paid more than \$70,000 in kickbacks to Russell D'Anton,

Charlie Brown's former CEO, in exchange for D'Anton's awarding of construction work to Designline. D'Anton pleaded guilty to his role in the conspiracy on February 4, 2010, and awaits sentencing.

In addition to the prison term and home confinement, Judge Debevoise sentenced Pietsch to two years of supervised release and ordered him to pay restitution in the amount of \$20,000. Pietsch has already forfeited \$60,000.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward, in Newark; and special agents with IRS – Criminal Investigation, under the direction of Victor W. Lessoff, with the investigation that resulted in today's sentence.

The government is represented by Assistant U.S. Attorney Christopher J. Kelly of the U.S. Attorney's Office Economic Crimes Unit in Newark.

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Defense counsel: William T. Ferris III, Esq., Islandia, N.Y.