

NEWS

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Former State Senator Wayne Bryant Guilty of all Counts for Schemes to Obtain a Corrupt Low-show Job at UMDNJ and Fraudulently Pad State Pension

– Former Dean of Medical School Also Convicted –

(More)

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TRENTON – A jury today convicted former New Jersey State Sen. Wayne R. Bryant on all

corruption charges against him for unlawfully using his power and influence to obtain a paid, low-show job at UMDNJ's School of Osteopathic Medicine in exchange for lobbying and bringing millions of dollars in extra funding to the school, and using that job and others to fraudulently nearly triple his state pension, U.S. Attorney Christopher J. Christie announced.

The former dean at the School of Osteopathic Medicine (SOM) in Stratford, R. Michael Gallagher, 59, of Haddonfield, was also found guilty of capitalized on Bryant's influence to become dean and, in turn, rigged the hiring process to create a job for Bryant at SOM that appeared to be a legitimate, bona fide position.

Bryant was convicted on Counts One through Count Six with mail and wire fraud for their alleged scheme to defraud the public of Bryant's honest services by use of the mails and wires. Gallagher was also convicted of Count One through Count Three and Counts Five and Six; the defendant was found not guilty of Count Four. Bryant was convicted of Count Seven with corrupt solicitation and acceptance (from Gallagher) of a bribe (the SOM job) involving an organization receiving federal funds. Gallagher, in turn, was convicted of Count Eight with corruptly offering a bribe (to Bryant) involving an organization receiving federal funds.

Bryant alone was convicted of Count Nine through Count 13 with mail fraud for his alleged scheme to defraud the New Jersey Division of Pensions and Benefits of money and property by use of the mails

"Today one of New Jersey's once most powerful politicians has been convicted of twelve felony charges for placing his own personal greed ahead of the interests of the good people of the State of New Jersey," Christie said. "Once again elected and non-elected officials are put on notice, no officeholder or public employee will be permitted to turn public service into self-service in violation of the law."

There are a number of fact-dependent determinations that will be made at sentencing. However, under certain scenarios, the defendants would be facing an advisory U.S. Sentencing Guidelines sentence of over 15 years. The Sentencing Guidelines, however, are advisory only, and U.S. District Judge Freda L. Wolfson will have discretion in imposing sentence within or outside of that range. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

The jury began deliberating at approximately 1:00 p.m. on Friday, Nov. 14 and returned a verdict at 1:00 p.m. Judge Wolfson, who presided over the nearly 11-week trial, scheduled sentencing for both defendants on March 20, 2009.

The case was tried by First Assistant U.S. Attorney Ralph J. Marra, Jr., and Assistant U.S. Attorneys Joshua Drew and Adam S. Lurie.

In convicting Bryant and Gallagher, the jury found that the job at SOM amounted to a bribe from Gallagher, which was solicited by Bryant. The jury heard that Gallagher was elevated

from Vice Dean to Interim Dean and finally, in November 2002, to permanent Dean at SOM with Bryant's help, which included arranging meetings between Gallagher and state legislators and drafting a letter to the Governor supporting Gallagher. The jury found that in March 2003, Gallagher in turn put Bryant on the SOM payroll and in doing so committing fraudulent acts and acts of concealment.

The jury also found that from his position at SOM, Bryant used his power and influence as Senator and Chairman of the Senate Budget and Appropriations Committee to directly lobby state agencies, high-level officials (including the state Treasurer), legislators and their staffs and personally directed changes in the state budget to bring millions of dollars in extra funding to SOM. All the while, Bryant failed to reveal that he was simultaneously on the payroll at SOM, receiving a high salary of \$40,841 in 2004, and, in fact, used various means to conceal his purported role at SOM.

The jury also found that beginning in July 2002 Bryant engaged in the pension-padding scheme by taking on public positions for which he did no meaningful work. During the trial, the jury viewed evidence and heard testimony which showed that Bryant took salaries from UMDNJ's School of Osteopathic Medicine (SOM), the Gloucester County Board of Social Services and Rutgers University Camden and its law school, even as he did little to no meaningful work in return for those government salaries and other benefits.

Bryant was individually and specifically hired by the Gloucester County Board of Social Services (GCBSS) to perform legal services. Instead, he dispatched employees of his private law firm to provide those legal services; yet he personally received a salary and accrued retirement benefits. From mid-2002 through about August 2006, Bryant worked a total of about 14.8 hours for GCBSS, yet received approximately \$200,000 of pensionable income. Throughout the period Bryant submitted false and fraudulent signed attorney time sheets which declared that he personally had done the work.

At SOM, Gallagher caused personnel records to indicate that Bryant worked the equivalent of three full days a week in order to make Bryant eligible for pension credits on his SOM salary. In fact, according to testimony, Bryant showed up only for about half a day once a week, did no meaningful work, and instead spent much of the time reading the newspaper. As a result of those frauds, Bryant's anticipated annual pension from government positions went from about \$28,000 in 2002 to about \$81,268 in 2006.

Gallagher remains under indictment on another set of charges for his alleged scheme to created phony "profits" on financial statements for SOM's University Headache Center, where Gallagher also served as chairman. Those "profits" resulted in additional annual bonuses to Gallagher – determined by Gallagher himself as chairman of the Headache Center – of between \$15,000 and \$20,000 in each of 2002, 2003 and 2004. With salary and bonuses, Gallagher had compensation that ranged from between \$345,000 to \$402,000 from 2003 to 2005. Judge Wolfson, in motions decided before the trial of Bryant and Gallagher, severed that set of charges from the government's original Indictment, necessitating two trials for Gallagher and one for Bryant. Christie said he will consult within the office and

with federal investigative agencies before deciding how to proceed on those charges.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, with the investigation leading to today's conviction.

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Defense Attorneys:

Bryant: Carl D. Poplar, Esq, Cherry Hill, and Lisa Matheuson, Esq., Philadelphia

Gallagher: Jeremy Frey, Esq., Philadelphia, and Ralph Jacobs, Esq., Philadelphia