

# NEWS

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U.S. Attorney, District of New Jersey  
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Camden, New Jersey 08101

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***Ralph J. Marra, Jr., Acting U.S. Attorney***

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***More Information?*** Contact the Assistant U.S. Attorney or other contact listed below to see if more information is available.

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FOR IMMEDIATE RELEASE  
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President of Private Inspection Service Company Admits Paying a  
Bribe to the Former Cherry Hill Director of Code Enforcement  
And Inspections

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(More)

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CAMDEN – The former president of a private inspection services company pleaded guilty today to a charge of bribery, admitting he gave a \$5,000 corrupt payment to the former director of the Cherry Hill Department of Code Enforcement and Inspections in exchange for township employee’s official assistance in obtaining a municipal contract, Acting U.S. Attorney Ralph J. Marra announced.

Russell B. McLaughlin, Jr., 56, of Chalfont, Pa., until recently the president of Building Inspection Underwriters, Inc. (“BIU”), pleaded guilty before U.S. District Judge Renée Marie Bumb to a one-count Information that charges him with bribery. Judge Bumb continued the defendant’s release on a \$50,000 unsecured bond pending sentencing, which is scheduled for Aug. 10.

At his plea hearing, McLaughlin admitted that as president of BIU, a private third-party inspection service headquartered in Pennsylvania with offices in New Jersey, he personally gave a \$5,000 cash corrupt payment to Anthony Saccomanno, 66, of Cherry Hill, in return for his official action in aid of BIU’s attempt to obtain an Inspection Services Contract (“ISC”) with Cherry Hill.

McLaughlin stated that on Dec. 9, 2008, he met Saccomanno at a Cherry Hill restaurant for lunch. At the end of lunch, McLaughlin gave the corrupt payment to Saccomanno with the intent of influencing him to take official action to the benefit BIU by throwing out all competing bids for a Cherry Hill inspection services contract, enabling a new round of bidding.

On March 3, 2009, McLaughlin and Saccomanno were both charged in separate one-count criminal Complaints for their scheme to trade municipal contracts for corrupt cash payments and paid expenses associated with attending conferences held at Nevada and Atlantic City casinos. The defendants both made initial appearances that day before U.S. Magistrate Joel Schneider, who released both defendants on \$50,000 unsecured bonds.

The Complaint charging Saccomanno alleges that from July 2007 until September 2008, Saccomanno solicited and accepted cash payments from officials representing BIU. The Complaint also alleges that Saccomanno required company officials to cover his personal expenses associated with attendance at conferences in Reno and Atlantic City.

The second Complaint charging McLaughlin alleged that from July 2007 until December 2008, McLaughlin authorized a cooperating witness (“CW”) to make a corrupt payment to Saccomanno, and also personally gave Saccomanno cash bribes. At the time of the corrupt payments, CW was employed as a Vice President at BIU and was responsible for marketing BIU to various New Jersey municipalities, including Cherry Hill, in efforts to secure and retain contracts for plumbing, electrical and elevator inspection services.

According to the Complaint charging McLaughlin, on Nov. 6, 2008, Saccomanno and McLaughlin met at a restaurant in Cherry Hill to discuss the bids for the 2009 ISC, and what to do about a bid from a second inspection firm. During the recorded conversation,

McLaughlin inquired about having the bid thrown out, and Saccomanno indicated that in return for a cash payment of \$5,000 he would attempt to have both bids thrown out and assist BIU with winning the new set of bids. On Dec. 9, 2008, McLaughlin gave Saccomanno a bank envelope containing the corrupt payment of \$5,000 in cash.

The charge of bribery carries a maximum statutory penalty of 10 years in federal prison and a fine of \$250,000.

In determining an actual sentence, Judge Bumb will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Marra credited Special Agents of the FBI Philadelphia Division, South Jersey Resident Agency, under the direction of Special Agent in Charge Janice K. Fedarcyk in Philadelphia, and the IRS Criminal Investigation, under the direction of Special Agent in Charge William P. Offord, with the investigation leading to the guilty plea.

The government is represented by Assistant U.S. Attorney Joshua Drew of the Criminal Division in Camden.

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Defense Attorney: Katherine Recker, Esq., Philadelphia