

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
401 Market Street, Fourth Floor
Camden, New Jersey 08101



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

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

News on the Internet: News Releases, related documents and advisories are posted short-term at our website, along with links to our archived releases at the Department of Justice in Washington, D.C. ***Go to:*** <http://www.usdoj.gov/usao/nj/press/>

Assistant U.S. Attorney
JOSHUA DREW
856-968-4925

sacc0303.rel
FOR IMMEDIATE RELEASE
Mar. 3, 2009

Former Cherry Hill Director of Code Enforcement and Inspections Charged with Taking Bribes in Exchange for Township Contracts

– President of Private Inspection Service Company Also Charged –

(More)

Greg Reinert, PAO
Public Affairs Office

856-757-5233
973-645-2888

Breaking News (NJ) <http://www.usdoj.gov/usao/nj/press/>

CAMDEN – The former director of the Cherry Hill Department of Code Enforcement and Inspections and the president of a private inspection services company were charged today 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, Acting U.S. Attorney Ralph J. Marra announced.

One Complaint alleges that from July 2007 until September 2008, Anthony Saccomanno, 66, of Cherry Hill, solicited and accepted cash payments from officials representing Building Inspection Underwriters, Inc. (“BIU”), a private third-party inspection service headquartered in Pennsylvania with offices in New Jersey. 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 alleges that from July 2007 until December 2008, Russell B. McLaughlin, Jr., 56, of Chalfont, Pa., president of BIU, 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.

The defendants both made initial appearances today before U.S. Magistrate Joel Schneider, who released both defendants on \$50,000 unsecured bonds pending trial.

In February 2006, BIU entered into an Inspection Services Contract (“ISC”) with Cherry Hill after submitting the winning bid. The contract, which BIU previously held with Cherry Hill from 2003 to 2006, provided for a term of one year with an option to renew by mutual consent for two additional one-year terms. On or about Jan. 18, 2007, by mutual consent of the parties, ISC was renewed for a second one-year term, to commence in February 2007 and to expire in February 2008.

On July 19, 2007, Saccomanno and CW attended a retirement party at a hotel in Princeton, at which CW paid Saccomanno’s expenses including the price of attending the dinner and the hotel bill for an overnight stay. During the course of a recorded conversation at the party, Saccomanno told CW that he had taken annual cash payments of \$2,000 from a former BIU employee during an earlier time when BIU had the ISC in Cherry Hill. CW responded “well, that’s not far fetched,” but that CW would have to “put it together . . . with the powers that be” at BIU. The Complaint alleges that Saccomanno indicated he wanted to be paid \$2,500 in cash, rather than \$2,000. CW agreed to make the payment prior to an upcoming conference in Reno that he and Saccomanno had planned to attend together.

At that time BIU was seeking to retain the ISC for the one-year term beginning in February 2008. In the same July 19, 2007, recorded conversation, CW told Saccomanno that the “next thing we’ll work on is me staying,” a reference to BIU retaining its business with Cherry Hill. According to the Complaint, Saccomanno replied in the affirmative, stating “you ain’t going anywhere.”

On Sept. 17, 2007, CW met with McLaughlin at a diner in Cherry Hill and told him that

Saccomanno wanted \$2,500. The Complaint alleges that McLaughlin responded, "I guess we have, you know, a few options. One, we do it. One, we don't do it. One we let it go out to bid and roll our cards." After some discussion, McLaughlin allegedly stated, "Right now I don't know what I'm gonna do. I am not gonna go off half-cocked and make a decision one way or the other." The next day, Sept. 18, McLaughlin approved of CW making the cash payment to Saccomanno and agreed that CW could "expense" the \$2,500 corrupt payment to BIU, according to the Complaint.

On Sept. 20, 2007, Saccomanno met with CW at an Italian restaurant in Cherry Hill. After the meal, Saccomanno and CW left the restaurant and walked to the parking lot, where Saccomanno allegedly took an envelope containing \$2,500 in cash from CW.

According to the Complaint, on Sept. 25, 2007, during a recorded telephone conversation regarding the upcoming conference, CW asked Saccomanno if the \$2,500 cash payment was okay and that Saccomanno responded, "Yeah, fine." CW stated, "We'll talk more about that later, though, in Vegas" to which Saccomanno responded, "Yeah. Just bring your credit cards."

After returning from the Reno conference, Saccomanno recommended that BIU receive a one-year renewal of the 2008 ISC. As a result, on Dec. 3, 2007, BIU was awarded the 2008 ISC for elevator, plumbing and electric inspection services, for the year beginning Feb. 8, 2008.

Furthermore, on April 30, 2008, while attending a conference at a hotel and casino in Atlantic City, Saccomanno allegedly solicited CW for a corrupt payment of \$3,000 to influence the awarding of the 2009 ISC to BIU. On July 3, 2008, in a recorded telephone conversation, CW informed McLaughlin that "Mr. Cherry Hill" had "upped his number to three." McLaughlin allegedly responded that he had "a call into Tony, for Tony to talk to me" and "I'll talk to Tony."

In a July 23, 2008, recorded conversation at a restaurant in Cherry Hill, CW asked Saccomanno about the timing of the next corrupt payment, to which Saccomanno indicated that he had already received it from McLaughlin.

According to the McLaughlin Complaint, 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 allegedly gave Saccomanno a bank envelope containing \$5,000 cash.

In 2008, BIU collected approximately \$240,000 in fees from Cherry Hill for the inspection services it performed.

Saccomanno is charged with soliciting and demanding corrupt payments, namely, cash payments totaling \$4,500, to be influenced and rewarded in connection with awarding of municipal contracts. McLaughlin is charged with corruptly giving, offering, and agreeing to give, and aiding and abetting the giving and offering of, cash payments totaling \$9,500 to Saccomanno, with intent to influence and reward an agent of the Township of Cherry Hill, in connection with municipal contracts. Both charges carry a maximum statutory penalty of 10 years in federal

prison and a fine of \$250,000.

A criminal Complaint is merely an accusation. All of the defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt.

In determining an actual sentence, the judge to whom the case is assigned would, upon a conviction, 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. Fedarczyk, and the IRS, under the direction of Special Agent in Charge with the investigation leading to the criminal Complaints.

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

-end-

Defense Attorneys:

Saccomanno - Jeffrey Zucker, Esq. Camden

McLaughlin - Emmett F. Fitzpatrick, III, Esq. Philadelphia