



United States Attorney District of New Jersey

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OWNER OF NEW JERSEY-BASED CONSTRUCTION COMPANY PLEADS GUILTY TO CONSPIRING TO DEFRAUD CHARLIE BROWN'S AND P.C. RICHARD & SON

NEWARK, N.J. – The President of New Jersey-based commercial construction company Designline Construction Services pleaded guilty today to engaging in two different criminal conspiracies aimed at defrauding Charlie Brown's Acquisition Corporation and P.C. Richard & Son Corporation, respectively, United States Attorney Paul J. Fishman announced.

David Slabon, 43, of Sea Girt, New Jersey, pleaded guilty to a criminal Information charging him with one count each of conspiracy to commit commercial bribery and conspiracy to commit wire fraud. He entered his guilty plea before United States District Judge Dickinson R. Debevoise in Newark federal court, who allowed Slabon to remain on a \$250,000 bond until sentencing, scheduled for October 25, 2010.

According to the Information to which Slabon pleaded guilty and statements made in court:

From 2004 through 2009, Slabon was the President and Chief Executive Officer of Designline Construction Services, a commercial construction company based in Eatontown, New Jersey. During that time, Slabon conspired with Russell D'Anton, then the Chief Executive Officer of Charlie Brown's Acquisition Corporation – which owns and operates the Charlie Brown's chain of restaurants – to pay kickbacks to D'Anton in exchange for D'Anton's awarding of construction work to Designline. Slabon admitted that he paid more than \$70,000 in kickbacks to D'Anton in the form of monetary payments as well as items and trips – including tickets to Broadway shows, chartered flights on private jets, and vacations to destinations including the Bahamas. In addition, Slabon caused Designline to perform construction work on D'Anton's home either at no charge or at a significantly reduced charge. D'Anton pleaded guilty to his role in the conspiracy on February 4, 2010, and awaits sentencing.

Slabon also admitted that from 2008 to June 2009, he engaged in a separate criminal conspiracy to defraud P.C. Richard & Son, which operates a chain of retail electronics stores. Slabon admitted that he and several Designline employees conspired to defraud P.C. Richard by submitting false and fraudulently inflated invoices for construction work in connection with Designline's work on a large warehouse and office facility being built for P.C. Richard in Carteret, New Jersey. As a result of this conspiracy, Designline fraudulently overbilled P.C. Richard approximately \$2.5 million for construction work and services that were never performed. Three former employees of Designline have also pleaded guilty in connection with their roles in the overbilling scheme: Mark Cherchio and Rick Zarkos entered guilty pleas before

Judge Debevoise on July 12, 2010; Georges Chalemin entered his guilty plea before Chief United States District Judge Garrett E. Brown Jr. in Trenton federal court on June 22, 2010.

The commercial bribery conspiracy and wire fraud conspiracy counts carry maximum potential penalties of five years in prison and 20 years in prison, respectively. Both counts carry a maximum fine of \$250,000, or twice the amount of loss caused by the offense. In addition, Slabon agreed to pay restitution to Charlie Brown's and P.C. Richard.

U.S. Attorney Fishman credited special agents with the Federal Bureau of Investigation, under the direction of Special Agent in charge Michael B. Ward, in Newark, New Jersey, and special agents with the Internal Revenue Service – Criminal Investigation, under Special Agent in Charge William Offord, in Springfield, New Jersey, with the investigation leading to today's guilty plea.

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

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Defense counsel: Raymond M. Brown, Esq., Woodbridge, New Jersey