

NEWS

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Three Monmouth County Officials Get Prison Terms Ranging from Eight to Twenty-Two Months for Corruption

(More)

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NEWARK – U.S. Attorney Christopher J. Christie announced the following sentencing results today for three Monmouth County public officials who previously pleaded guilty to corruption charges in the FBI's Operation Bid Rig Investigation:

Anthony Palughi

Former superintendent of the Monmouth County Division of Bridges Anthony Palughi was sentenced to eight months in federal prison and fined \$7,000 for soliciting and accepting bribe payments for him to influence other local and county officials to provide contracts to an FBI undercover company.

U.S. District Judge William J. Martini also ordered Palughi, 71, of Wall Township to serve two years of supervised release upon completion of his prison sentence. Judge Martini ordered Palughi to surrender to the federal Bureau of Prisons on Jan. 8 to begin serving his prison sentence.

Palughi had faced a probable sentencing range of between 24 and 30 months in prison under the advisory U.S. Sentencing Guidelines. However, Judge Martini adopted the government's recommendation to impose a sentence below the recommended federal guidelines (called a downward departure recommendation) based on the extent of Palughi's cooperation against others in the Operation Bid Rig investigation.

Regarding the sentences imposed today against Palughi, Paul Zambrano and John Merla, Christie said: "We think the sentences are appropriate. The judge carefully balanced the need to punish public officials who took bribes with the need to recognize, as a mitigating factor, their particular levels of cooperation."

Included in Palughi's cooperation was his extensive trial testimony against former Middletown Committeeman Raymond O'Grady, who was convicted by a federal jury on all corruption charges against him. On Oct. 11, 2006, Judge Martini sentenced O'Grady to 43 months in prison for accepting \$8,000 in cash bribes.

At his plea hearing in August 2005, Palughi admitted that during 2004 he accepted corrupt payments totaling \$12,500, to reward him for arranging bribes to be made to other Monmouth County officials

Paul Zambrano

The former mayor of West Long Branch, Paul Zambrano, was sentenced to 12 months and one day in federal prison for extorting bribe payments for himself and others.

Judge Martini also fined Zambrano \$2,500 and ordered him to serve three years of

supervised release upon completion of his prison sentence. Zambrano must surrender to the Bureau of Prisons by Dec. 28.

Zambrano, 51, faced a probable sentencing range of between 30 and 37 months in prison under the advisory U.S. Sentencing Guidelines. Citing his extensive cooperation in building cases against other individuals, the government recommended a downward departure from the sentencing guidelines, which Judge Martini agreed was appropriate in his circumstances.

Zambrano's cooperation included helping the government corroborate evidence and build corruption cases against Councilman Joseph DeLisa, the co-owner of International Trucks of Central Jersey Matthew Appolonia and, in an unrelated investigation, the case against former state Sen. John C. Lynch and his business partner Jack Westlake.

At his plea hearing in August 2005, Zambrano admitted that, during his tenure as mayor in West Long Branch, from September 2003 to November 17, 2004, he accepted cash payments totaling \$15,000 dollars from a confidential FBI informant and an undercover FBI agent, to reward him for helping obtain public contracts in West Long Branch and other places.

John Merla

Former Keyport Mayor John Merla was sentenced to 22 months in federal prison for extorting bribe payments totaling \$24,000 during the FBI's Operation Bid Rig investigation.

Judge Martini also fined Merla \$20,000 and ordered him to serve three years of supervised release upon completion of his prison sentence. Judge Martini ordered Merla to surrender on Jan. 8 to begin serving his prison sentence.

Under the advisory Sentencing Guidelines, Merla faced a probable range of between 24 and 30 months in prison. Judge Martini agreed with the government's recommendation for a downward departure from the guideline range. However, the judge found that Merla was entitled to only a small reduction in his sentence because, he said, Merla's cooperation was not substantial enough or timely (he stayed in office nearly two years after being arrested).

Merla admitted at his plea hearing on Jan. 17, 2007, that he took a total of \$24,000 in bribes in exchange for agreeing to exercise official action and influence as mayor in the award of no-bid contracts.

There is not parole in the federal system. Except for good conduct credits, federal

inmates can expect to serve most of their custodial sentences.

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Defense Counsel:

for Palughi – Anthony Pope, Esq.

for Zambrano – John Fahy, Esq.

for Merla – Cathy Waldor, Esq., and Michael Pappa, Esq.