



*United States Attorney
District of New Jersey*

FOR IMMEDIATE RELEASE

August 16, 2010

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**FORMER DIRECTOR OF CONSTRUCTION FOR P.C. RICHARD & SON
PLEADS GUILTY TO ACCEPTING \$80,000 IN BRIBES**

NEWARK, N.J. – The former Director of Construction for P.C. Richard & Son Corporation pleaded guilty today to accepting \$80,000 in bribes from a New Jersey-based construction company, United States Attorney Paul J. Fishman announced.

John Pietsch, 49, of Suffolk County, N.Y., pleaded guilty before United States District Judge Dickinson R. Debevoise to a count of traveling and causing the travel in interstate commerce to promote and facilitate commercial bribery. Judge Debevoise continued Pietsch's release on a \$100,000 bond pending sentencing, which is scheduled for November 15, 2010.

According to the Information to which Pietsch pleaded guilty and statements made in Newark federal court:

Pietsch worked as the Director of Construction for P.C. Richard & Son Corporation, which owns and operates the P.C. Richard & Son chain of electronic and consumer appliance stores. In that capacity, Pietsch had the authority to determine which companies would manage the construction of P.C. Richard's facilities. Pietsch admitted that in 2008 he agreed to accept cash payments from David Slabon, the president of Designline Construction Services – a commercial construction company based in Eatontown, N.J. – in exchange for steering P.C. Richard to award construction contracts to Designline. Pietsch admitted that he accepted \$80,000 in cash bribes from David Slabon.

In a related case, David Slabon pleaded guilty in July to his involvement in a scheme to defraud P.C. Richard by submitting fraudulently inflated invoices in connection with Designline's construction work on a large warehouse and office facility being built for P.C. Richard in Carteret, N.J. As a result of this scheme, Designline overbilled P.C. Richard approximately \$2.5 million for construction work and services that were never performed. In addition to David Slabon, three former employees of Designline have pleaded guilty in connection with their roles in this overbilling scheme: Mark Cherchio and Rick Zarkos entered guilty pleas before Judge Debevoise on July 12, 2010, and Georges Chalemin entered his guilty plea before Chief United States District Judge Garrett E. Brown Jr. in Trenton federal court on June 22, 2010.

David Slabon also pleaded guilty and admitted to his involvement in an unrelated scheme to pay kickback payments to the former CEO of Charlie Brown's Acquisition Corporation, the company that operates the Charlie Brown's chain of restaurants. Specifically, at his plea hearing

on July 19, 2010, Slabon admitted that he paid more than \$70,000 in kickbacks to Russell D'Anton, Charlie Brown's former CEO, in exchange for D'Anton's awarding of construction work to Designline. D'Anton pleaded guilty to his role in the conspiracy on February 4, 2010, and awaits sentencing.

The charge to which Pietsch pleaded guilty carries a maximum penalty of five years in prison and a fine of \$250,000 or twice the aggregate gain or loss from the offense.

U.S. Attorney Fishman credited special agents of the Federal Bureau of Investigation, under the direction of Special Agent in Charge Michael B. Ward, in Newark, and special agents with the Internal Revenue Service, under the direction of Special Agent in Charge William Offord, with the investigation that resulted in today's guilty plea.

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

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Defense counsel: William T. Ferris III, Esq., Islandia, N.Y.