

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No.
: :
: 18 U.S.C. §§ 371, 1349
v. :
: INFORMATION
: :
DAVID SLABON :
: :

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

BACKGROUND

A. The Defendant and Others

1. At all times relevant to this Information:

a. Defendant DAVID SLABON resided in Monmouth County, New Jersey, and was the Chief Executive Officer of Designline Construction Services, Inc. ("Designline"), a commercial construction company with headquarters in Monmouth County, New Jersey.

b. M.C., who is named as a coconspirator, but not as a defendant herein, resided in Monmouth County, New Jersey, and was employed by Designline as a Project Manager.

c. R.D., who is named as a coconspirator but not as a defendant herein, resided in Monmouth County, New Jersey, and was employed as the President and Chief Executive Officer ("CEO") of a privately-owned company, herein referred to as

"CBA," which owned and operated more than 30 restaurants in New Jersey, New York, and Pennsylvania. In his capacity as President and CEO of CBA, R.D. had the authority to negotiate contracts with vendors of CBA.

d. A privately-owned company with headquarters in Farmingdale, New York, herein referred to as "PCR," owned and operated more than 50 stores that sold consumer electronics and appliances in New Jersey, New York and Connecticut. In or about April 2008, PCR retained Designline to manage the construction of a large warehouse and office facility to be built in Carteret, New Jersey (hereinafter, the "Carteret Project").

COUNT ONE: CBA Kickback Scheme
(Conspiracy to Commit Commercial Bribery)

2. From at least as early as in or about 2004, through in or about 2008, in Monmouth County, in the District of New Jersey and elsewhere, defendant

DAVID SLABON

did knowingly and willfully conspire and agree with coconspirator R.D. and others to commit offenses against the United States, that is, to knowingly and willfully travel and cause the travel in interstate commerce, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of an unlawful activity, specifically, commercial bribery, contrary to N.J.S.A. § 2C:21-10, and, thereafter, did perform and attempt to perform an act to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of such

unlawful activity, contrary to Title 18, United States Code, Section 1952(a)(3).

Object of the Conspiracy

3. The object of the conspiracy was for defendant DAVID SLABON to pay kickback payments to R.D. in exchange for R.D. causing contracts for construction services to be awarded by CBA to Designline.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that defendant DAVID SLABON would pay more than \$70,000 in kickback payments to R.D. in the form of monetary payments as well as items and trips purchased by defendant DAVID SLABON for the benefit of R.D., such as tickets to Broadway shows, chartered flights on private jets, and vacations to destinations including the Bahamas (collectively, "Kickback Payments").

5. It was further part of the conspiracy that, in exchange for these Kickback Payments, R.D. would and did agree to cause CBA to award certain contracts for construction services to Designline.

6. It was further part of the conspiracy that R.D. did not disclose his receipt of the Kickback Payments from defendant DAVID SLABON to CBA or anyone else, and such payments were made without the knowledge or approval of CBA.

Overt Acts

7. In furtherance of the conspiracy and in order to effect the objects thereof, defendant DAVID SLABON and his

coconspirators committed or caused the commission of the following overt acts in the District of New Jersey and elsewhere:

a. In or around February 2008, defendant DAVID SLABON traveled from New Jersey to the U.S. Virgin Islands where he met R.D. and made Kickback Payments to R.D.

b. In or around May 2008, defendant DAVID SLABON traveled from New Jersey to the Bahamas where he met R.D. and made additional Kickback Payments to R.D.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO: PCR Invoicing Scheme
(Conspiracy to Commit Wire Fraud)

1. From at least as early as in or about 2008, through in or about June 2009, in Monmouth County, in the District of New Jersey and elsewhere, defendant

DAVID SLABON

did knowingly and intentionally conspire and agree with coconspirator M.C. and others to devise a scheme and artifice to defraud and to obtain money and property from PCR by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, to cause to be transmitted by means of wire communications in interstate commerce, writings, signs, signals, pictures and sounds, contrary to Title 18, United States Code, Section 1343.

Object of the Conspiracy

2. The object of the conspiracy was for defendant DAVID SLABON to fraudulently obtain approximately \$2,500,000 from PCR by submitting false and fraudulently inflated invoices for construction work and services to PCR.

Manner and Means of the Conspiracy

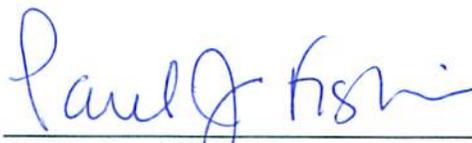
3. It was part of the conspiracy that defendant DAVID SLABON, M.C. and others would solicit subcontractors to falsely inflate the cost of their services on the Carteret Project.

4. It was further part of the conspiracy that defendant DAVID SLABON, M.C. and others would then submit invoices to PCR that contained the falsely inflated charges.

5. It was further part of the conspiracy that, in reliance on these false and fraudulent invoices, PCR overpaid Designline approximately \$2,500,000 on the Carteret Project.

6. On or about January 14, 2009, in order to further the object of the conspiracy, defendant DAVID SLABON caused a fraudulently inflated invoice to be sent, via facsimile, from Designline's offices in Monmouth County, New Jersey, to the offices of PCR in New York.

All in violation of Title 18, United States Code, Section 1349.



PAUL J. FISHMAN
United States Attorney

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PAUL J. FISHMAN
U.S. ATTORNEY
NEWARK, NEW JERSEY

CHRISTOPHER J. KELLY
ASSISTANT U.S. ATTORNEY
NEWARK, NEW JERSEY
973-645-6112
