

NEWS

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Former Middletown Committeeman Raymond O'Grady
Convicted on All Corruption Counts Against Him

(More)

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NEWARK – Former Middletown committeeman Raymond J. O’Grady was convicted today on all five corruption charges against him in connection with his taking of more than \$10,000 in cash bribes, U.S. Attorney Christopher J. Christie announced.

After just three hours of jury deliberations, O’Grady was convicted on all counts of the Indictment returned against him on Nov. 21, 2005: two counts of attempted extortion under color of official right; two counts of accepting a bribe to influence and reward; and one count of conspiracy to extort. His sentencing is scheduled for Sept. 12 by U.S. District Judge William J. Martini.

Under the advisory U.S. Sentencing Guidelines, O’Grady faces a probable sentencing range of between 51 and 78 months in prison.

The case was prosecuted by Assistant U.S. Attorneys James Nobile and Ricardo Solano, of the U.S. Attorneys Office Special Prosecutions Division. The case was investigated by Special Agents of the FBI’s Red Bank Resident Agency, with assistance from detectives from the Ocean County Prosecutor’s Office and the Brick Township Police Department.

Stressing the seriousness of the convictions, the potential for a long prison sentence and overwhelming evidence against O’Grady at trial, Judge Martini increased his bail pending sentencing from a \$50,000 personal recognizance bond to a \$200,000 bond to be secured by equity in his home. Judge Martini also ordered that O’Grady be confined to his home with electronic monitoring, with the exception of meetings with his attorney and once-a-week religious services.

Videotaped recordings of O’Grady played at trial, in which O’Grady talked about his ability to evade detection in accepting bribes, proved that O’Grady “was someone who had a criminal mind,” Judge Martini said after the jury announced its verdicts as he considered bail pending sentencing.

“I never got a sense during the course of this trial,” Judge Martini said, “that he had any understanding of just how offensive his conduct was. Somewhere in his career – and I get a sense it was a long time ago – he lost sense of what it was to hold public trust.”

In increasing the strictures of O’Grady’s conditions of release based on the heightened risk of O’Grady’s flight after the verdict, “Judge Martini got it absolutely correct in assessing Mr. O’Grady’s criminal conduct, his disrespect for public office and the law,” said Christie. “In short order, the jury saw that too and recognized O’Grady’s conduct for what it was – brazen, callous and greedy.”

“We will press on aggressively with our prosecutions of corrupt officials in Monmouth County and will not hesitate to bring dishonest public officials like Mr. O’Grady to

account,” Christie said.

Counts One and Two of the convictions concerned two separate payments O’Grady took from undercover FBI agents whom O’Grady believed worked for a cooperating contractor who also purported to be involved in loansharking, money laundering and trafficking of stolen alcohol and cigarettes. The first payment came on Oct. 21, 2004, when O’Grady accepted \$1,000 from the undercover agents. Six days earlier, O’Grady was recorded at a meeting in a Freehold restaurant with the undercover agents.

During that earlier recorded conversation, which was played among others for the jury, O’Grady agreed to accept future cash payments in exchange for his official assistance as a public official in Middletown. He told the undercover agents that he could “smell” a cop from “a mile away,” did not “talk in the open,” and did not do “stupid things.”

O’Grady accepted the second cash payment – \$5,000 – from the undercover agents on Feb. 17, 2005, at a Freehold restaurant. The payment was in exchange for O’Grady’s official assistance in securing Middletown municipal contracts, including emergency contract work. Count Three of the Indictment, charging accepting a bribe to influence or reward, related to that payment.

Count Four of the convictions concerned O’Grady’s conspiracy with a county official, then-Monmouth County Superintendent of Bridges Anthony Palughi, who testified as a cooperating witness for the government. O’Grady was attempting to extort money from the owner of a truck company, International Trucks of Central Jersey, which was doing business with Monmouth County government. In exchange for corrupt payments, O’Grady provided official favors to the truck company, including approving or agreeing to approve payment of inflated or false charges from the truck company.

O’Grady accepted cash payments of up to approximately \$2,000, and took the payments at various locations in New Jersey, including the truck company’s offices in Hillside and Palughi’s office, according to the trial testimony.

Count Five charged bribery based on O’Grady’s acceptance of a \$2,000 cash bribe, which he shared with Palughi, from one of the truck company’s executives, according to Palughi’s testimony.

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Defense Counsel: Kevin Roe, Esq.