

NEWS

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Former U.S. Postal Service Contractor Arrested on Indictment

(More)

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NEWARK – A former contractor for the U.S. Postal Service was arrested today on a federal Indictment which charges him with perjury and obstruction of justice, U.S. Attorney Christopher J. Christie announced.

Rick “Rickey” Zito, 53, of Effort, Pa., was arrested on a two-count Indictment early this morning by Special Agents with the U.S. Postal Service - Office of Inspector General. Zito made an initial appearance in federal court today before U.S. Magistrate Mark Falk, who released the defendant on a \$50,000 bond. An arraignment on the Indictment, which was returned yesterday and unsealed today with the defendant’s arrest, has not been scheduled at this time.

According to the Indictment, Zito owned and operated a company called AC & Pocono Refrigeration Service located in Effort, Pa., which provided plumbing and heating, ventilating and air conditioning (“HVAC”) work for numerous U.S. Post Offices located in New Jersey.

The Indictment describes a scheme in which two former Postal Service employees steered HVAC work to Zito’s company and allowed Zito to inflate his billings. In return, Zito made regular cash payments typically in the range of \$100 to \$400 to the two individuals, according to the Indictment.

The Indictment alleges that in July 2006 Zito falsely testified in a federal grand jury when he testified that he never gave money to the two individuals.

On July 9, 2007, John Balliro, 51, pleaded guilty before U.S. District Judge Stanley R. Chesler to a Superseding Indictment, which charged him with conspiracy to defraud the United States. Balliro worked in various capacities for the U.S. Postal Service, including as an Officer in Charge and a Postmaster for the Newton Post Office from April 1996 to August 1999. Balliro also acted as the Post Office Operations Manager from August 1999 to June 2003 for the Central and Northern New Jersey Customer Service Districts for the Postal Service, supervising the operations of more than 75 post offices in Morris, Sussex, and Warren Counties.

At his plea hearing, Balliro admitted that he steered plumbing and HVAC work for Postal Service facilities to a business located in Pennsylvania. In return, Balliro admitted he accepted corrupt cash payments, ranging from \$100 to \$400 per instance, from the proprietor of the business. Balliro is free on a \$100,000 bond pending sentencing, which is scheduled for Oct. 18.

Previously, on May 3, 2007, Phillip Hall, 51, of East Orange, pleaded guilty before Judge Chesler to an Information that charged him with misappropriation of U.S. Postal funds. At his plea hearing, Hall, a former Postmaster for the Post Office in Dover, Morris County, admitted that he steered plumbing, heating and air-conditioning work to a

contractor in Effort, Pa., and allowed the contractor to regularly submit bills for services at inflated prices. In return, Hall accepted cash payments from the contractor, he admitted. Hall is free on a \$50,000 bond pending sentencing, which is currently scheduled for Jan. 8, 2008.

Count One of the Indictment charges perjury, which carries a statutory maximum penalty of 5 years in prison and a fine of \$250,000. Count Two, which charges obstruction of justice, carries a maximum penalty of 20 years and a \$250,000 fine.

Despite indictment, the defendant is presumed innocent unless proven guilty beyond a reasonable doubt.

Christie credited Special Agents from the U.S. Postal Service - Office of Inspector General, under the direction of Special Agent in Charge Jane Hughes, of the New York and New Jersey Field Offices, with the continuing investigation.

The Government is represented by Assistant U.S. Attorney Joyce M. Malliet of the Special Prosecutions Division of the U.S. Attorney's Office in Newark.

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Defense Counsel: H. Robert Boney, Jr. Somers Point