

UNITED STATES DISTRICT COURT
for the
District of New Jersey

ORIGINAL FILED
MAR 03 2009
WILLIAM T. WALSH, CLERK

United States of America
v.

ANTHONY SACCOMANNO

Case No. 09-2016 (US)

Defendant

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date of 7/07-9/08 in the county of Camden in the _____ District of New Jersey, the defendant violated 18 U. S. C. § 666(a)(1)(B), an offense described as follows:

See Attachment A.

This criminal complaint is based on these facts:

See Attachment B.

Continued on the attached sheet.


Complainant's signature

William Grace, Special Agent, FBI
Printed name and title

Sworn to before me and signed in my presence.

Date: March 3, 2009


Judge's signature

City and state: Camden, New Jersey

Honorable Joel Schneider
Printed name and title

CONTENTS APPROVED

UNITED STATES ATTORNEY

By: ALR

Joshua Drew

Assistant U.S. Attorney

Date: 3/3/09

ATTACHMENT A

From in or about July 2007 to in or about September 2008, in Camden County, in the District of New Jersey and elsewhere, defendant

ANTHONY SACCOMANNO

did knowingly and corruptly solicit and demand for the benefit of himself, and accept and agree to accept, cash payments totaling \$4,500 from RUSSELL B. MCLAUGHLIN, JR., intending to be influenced and rewarded in connection with a business, transaction and series of transactions of the Township of Cherry Hill, New Jersey, involving a thing of value of \$5,000 or more.

In violation of Title 18, United States Code, Section 666(a)(1)(B) and Section 2.

ATTACHMENT B

I, William Grace (the "affiant"), state that I am a Special Agent with the Federal Bureau of Investigation ("FBI"). I have personally participated in this investigation and am aware of the facts contained herein based upon my own investigation, as well as information provided to me by other law enforcement officers. Since this Affidavit is submitted for the sole purpose of establishing probable cause to support issuance of a complaint, I have not included herein the details of every aspect of this investigation. In referring to communications between persons in this affidavit, I have excerpted or summarized such communications in substance and in part.

Parties and Entities

1. At all times relevant to this Complaint:
 - a. Defendant ANTHONY SACCOMANNO was the Director of the Department of Code Enforcement and Inspections (the "Department") for the Township of Cherry Hill, New Jersey ("Cherry Hill").
 - b. Cherry Hill was a municipal government that received federal benefits in excess of \$10,000 per year involving a grant, contract, subsidy, loan, guarantee, insurance and other form of assistance.
 - c. The Department, under the direction of defendant SACCOMANNO, was responsible for ensuring that all construction in Cherry Hill (a) was inspected by licensed building, electrical, fire, elevator, mechanical and plumbing inspectors, and (b) complied with the requirements of the New Jersey Uniform Construction Code. With respect to plumbing, electrical, and elevator inspections, the Department did not employ its own inspectors. Rather, the Department used third-party inspectors to ensure that all construction plans and projects complied with the applicable plumbing, electrical and elevator code standards.
 - d. Defendant SACCOMANNO's responsibilities included overseeing the process through which private third-party inspection companies were chosen to perform inspection work in Cherry Hill. Defendant SACCOMANNO had a critical role in the selection process of third-party inspectors, including plumbing, electrical and elevator inspectors. Through his recommendation, defendant SACCOMANNO could ensure that a particular third-party inspector was either selected or eliminated from consideration.

- e. RUSSELL B. MCLAUGHLIN, JR., was a resident of Chalfont, Pennsylvania, and President of Building Inspection Underwriters, Inc. ("BIU").
- f. BIU was a private third-party inspection service headquartered in Pennsylvania with offices in New Jersey. BIU provided services such as plumbing, electrical, elevator and other inspections to New Jersey municipalities, including Cherry Hill. In 2008, BIU collected approximately \$240,000 in fees from Cherry Hill for the inspection services it performed.
- g. "CW" was a cooperating witness who was employed as a Vice President at BIU until the latter part of 2008. CW's responsibilities at BIU included marketing BIU to various New Jersey municipalities. CW was responsible for leading BIU's efforts to secure and retain the contract for plumbing, electrical and elevator inspection services in Cherry Hill.

The Inspection Services Contract Between Cherry Hill and BIU

- 2. At all times relevant to this Complaint:
 - a. Cherry Hill regulations generally required an Invitation for Bid for any commodity or service when cost exceeded a threshold of \$21,000. Bids received in response to the Invitation for Bid were to be tabulated and evaluated for best price, compliance with bid specifications, financial responsibility, reputation of the vendor, service availability, and other relevant considerations.
 - b. The New Jersey Uniform Construction Code established maximum fee schedules for plumbing, elevator, electrical and other inspection work performed by third-party inspectors. Generally, when a municipality published an Invitation for Bid for a code inspection contract, the municipality asked the bidders to bid a percentage of the maximum fee schedule. For example, a company that bid 80% on a plumbing inspection contract was, in effect, bidding to be awarded a contract under which the municipality would pay the company 80% of the amount set forth in the maximum fee schedule for each plumbing inspection that it performed. In turn, the municipality generated its own revenues by charging property owners for the building permits that the municipality issued.

3. BIU successfully bid for inspection work in Cherry Hill. On or about February 8, 2006, Cherry Hill executed an Inspection Services Contract ("ISC") with BIU, pursuant to which BIU was awarded the right to provide electrical, elevator and plumbing inspection services in Cherry Hill. The ISC provided for a term of one year, with an option to renew by mutual consent of both parties for two additional one-year terms. On or about January 18, 2007, by mutual consent of the parties, the ISC was renewed for a second one-year term, to commence on or about February 9, 2007, and to expire on or about February 8, 2008. BIU sought to retain the ISC for the one-year term beginning in February 2008.
4. BIU previously had a similar contract with Cherry Hill to provide inspection services from 2003 to 2006.
5. At all times relevant to this Complaint, the ISC was a "thing of value of \$5,000 or more" for purposes of 18 U.S.C. § 666(a).

Corrupt Payments Related to the ISC

6. On or about July 19, 2007, defendant SACCOMANNO and CW attended a retirement party at a hotel in Princeton, New Jersey. CW paid defendant SACCOMANNO's expenses incurred in connection with the party, including SACCOMANNO's cost of attendance (approximately \$50) and hotel bill for an overnight stay (approximately \$246.88). At the party, during the course of a conversation that CW recorded, defendant SACCOMANNO told CW that SACCOMANNO had taken annual cash payments of \$2,000 from a former BIU employee, during an earlier time when BIU had the ISC in Cherry Hill. CW responded "well, that's not far fetched," and that CW would have to "put it together . . . with the powers that be" at BIU. CW asked defendant SACCOMANNO "how much" and SACCOMANNO indicated that he wanted to be paid \$2,500 in cash, rather than \$2,000. CW agreed to make the payment prior to an upcoming conference in Reno, Nevada which he and defendant SACCOMANNO planned to attend (the "Reno conference").
7. In the same recorded conversation on or about July 19, 2007, CW said to defendant SACCOMANNO that the "next thing we'll work on is me staying," a reference to BIU retaining its business with Cherry Hill. Defendant SACCOMANNO replied in the affirmative, stating "you ain't going anywhere."
8. On or about Friday, August 17, 2007, defendant SACCOMANNO received an email from another Cherry Hill employee which stated:

The [ISC] expires on February 8, 2008. If you would like to extend for another year, I will need an email or memo from you stating that a little bit before Nov 1st. At that point, I will send them a letter stating we wish to extend at same cost & terms & ask them if they want to continue. If not, we will go out to bid by the middle of November. . . . I can't do anything too far in advance of the contract expiration date.

Defendant SACCOMANNO forwarded this email to CW the following Monday morning, August 20, 2007.

9. On or about August 22, 2007, during a telephone call recorded by CW, defendant SACCOMANNO and CW discussed a future meeting to make the \$2,500 corrupt payment, as follows:

CW: Now is it okay sometimes to talk in front of [another Cherry Hill employee] or no?

AS: Not like that.

CW: Okay that's -- we have to meet some day to discuss something, without anybody but us two.

AS: I don't think we need to talk about anything, it's done.

CW: Okay. Okay.

AS: You know what you got to do.

CW: Yeah that's not a problem, that's what I wanted to let you know, it's not a problem.

10. On or about August 28, 2007, defendant SACCOMANNO and CW met at a steakhouse in Voorhees, New Jersey, where they were to be joined by another Cherry Hill employee. Prior to that employee's arrival at the restaurant, defendant SACCOMANNO and CW had another conversation, which was recorded, relating to a future meeting at which the \$2,500 corrupt payment would be made:

CW: So when we gonna meet?

AS: Well I don't care.

CW: You gotta give me a date so I can do what I gotta do, by ourselves, call me. And I'll get everything together. Everything's cool, it's all good to go.

AS: Yeah okay. And when I get back I'll write that letter [for the renewal of BIU's Contract].

CW: When you get back from where?

AS: Reno.

11. On or about September 4, 2007, defendant SACCOMANNO and CW spoke again, in a recorded telephone conversation, about the timing of the corrupt payment, including as follows:

AS: And, ah, get that other stuff together.

CW: What we talked about last week?

AS: Yeah, and when you got it together, give me a call.

CW: Okay, you said somewhere around the 18th, 19th, that would be okay?

AS: Well, yeah.

CW: You sure?

AS: 18th, 19th, yeah the 20th.

CW: Are we, are we stable on the, you can talk?

AS: 20th.

CW: 20th? You stable on the number?

AS: Yeah, that's okay.

CW: Okay.

AS: Unless you want to up it?

CW: That's up to you, let me know.

AS: Let's do it.

CW: Okay. I'll talk to them.

AS: Yeah.

CW: What I'm doing is expensing it, if you know what I mean.

AS: Mmm hmm.

CW: And it hides it well.

AS: Whatever. Alright.

12. On or about September 17, 2007, CW met with RUSSELL B. MCLAUGHLIN, JR., at a diner in Cherry Hill, and recorded their conversation. CW stated, "I had a meeting with Tony and he wants \$2,500. And he wants it by Thursday. . . . I guess we have, you know, a few options. One, we do it. One, we don't do it. One we let it go out to bid and roll our cards." After some discussion, MCLAUGHLIN stated, "Right now I don't know what I'm gonna do. I am not gonna go off half-cocked and make a decision one way or the other."
13. On or about September 18, 2007, in a recorded telephone conversation, CW spoke with RUSSELL B. MCLAUGHLIN, JR., again about the \$2,500 corrupt payment to defendant SACCOMANNO. MCLAUGHLIN stated, "I think we're pushed into a situation where we have to act. . . . I don't know what else we can do. . . . The problem is it's gonna cost more not to do it." MCLAUGHLIN further stated, "I want to, I want to limit our costs and our aggravation." MCLAUGHLIN then approved CW getting the cash from the bank, and agreed that CW could "expense" the \$2,500 corrupt payment to BIU.
14. On or about September 20, 2007, defendant SACCOMANNO met with CW at an Italian restaurant in Cherry Hill, and CW showed SACCOMANNO an envelope containing \$2,500 cash. After they ate, defendant SACCOMANNO and CW left the restaurant and walked to the parking lot, where defendant SACCOMANNO motioned to the envelope CW was holding, and stated during the recorded conversation:

AS: Give me that envelope, ah the, you know. Now -- okay.

CW: I want you -- let's go -- I want you to make sure.

AS: Nah, that's all right, don't worry about that.

CW: Okay.

Defendant SACCOMANNO then accepted the \$2,500 corrupt payment.

15. On or about September 25, 2007, defendant SACCOMANNO and CW discussed their travel to the upcoming Reno conference in a recorded telephone conversation. CW asked SACCOMANNO, was the "25 notes . . . was that okay," and SACCOMANNO responded, "Yeah,

fine." CW stated, "We'll talk more about that later, though, in Vegas" and defendant SACCOMANNO responded, "Yeah. Just bring your credit cards."

16. After returning from the Reno conference, defendant SACCOMANNO recommended that BIU receive a one-year renewal of the 2008 ISC. As a result, on or about December 3, 2007, BIU was awarded the 2008 ISC for elevator, plumbing and electrical inspection services, for the year beginning February 8, 2008.

17. On or about April 30, 2008, in a recorded conversation during a conference at a hotel and casino in Atlantic City, New Jersey, defendant SACCOMANNO solicited CW for a corrupt payment to influence the awarding of the 2009 ISC to BIU, including as follows:

CW: But I uh, I got to know where you're at. We have to, like I said --

AS: We're gonna do the contract.

CW: We got to do the contract. We got to talk. I got to know.

AS: . . . can you get five? Three?

CW: Tell them what?

AS: Three.

CW: You want \$3,000?

AS: Yeah.

CW: This time. You want it when?

AS: When we go to the thing.

CW: Well you got -- what thing? What do you want, \$5,000 or \$3,000? You just gave me two --

AS: Three.

CW: You want \$3,000 this time?

AS: . . . last time it was two.

CW: Okay, wait a minute, you're confusing me, you're confusing me --

AS: Last year.

CW: Sit down here one second. Cause I don't want to f**k it up.

AS: Same as always.

CW: Same as always has only been one time with me. That's why it's new and I came through. Okay, no --

AS: It's two.

CW: No, I gave you 25.

AS: Two.

CW: 25.

AS: Two.

CW: 25.

AS: Well --

CW: We gonna fight. Was it two?

AS: Yeah, well make it 25.

CW: You want 25?

AS: 25.

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CW: Before we go in September, you want 2,500.

AS: 25, cash.

CW: Cash. Next time you want to up it to what?

AS: The next contract we'll go to three.

CW: You want three. And then everything else stays the same, the trips and all that?

AS: Yeah.

18. In the same recorded conversation on or about April 30, 2008, at the Atlantic City hotel and casino, CW told defendant SACCOMANNO that BIU would put him on the payroll as a "consultant," after SACCOMANNO retired: ". . . you come on as municipal consultant, you've been offered the job. Russ will be here, talk to him." SACCOMANNO responded that he "want[ed] to hear it from him [MCLAUGHLIN]," and observed that "he could get me pretty cheap . . . pay me in cash, real cheap."
19. On or about June 16, 2008, in a recorded meeting at an Italian restaurant in Cherry Hill, CW and RUSSELL B. MCLAUGHLIN, JR., discussed defendant SACCOMANNO's solicitation of a corrupt payment in connection with the 2009 ISC, and MCLAUGHLIN stated "I'll think about it, okay, I'll have to discuss it, I'll have to think about it."
20. On or about June 24, 2008, in a recorded meeting at a steakhouse in Cherry Hill, defendant SACCOMANNO again advised CW, with regard to the ISC, that "it's supposed to be three this year," rather than \$2,500.
21. On or about July 3, 2008, in a recorded telephone conversation, CW informed RUSSELL B. MCLAUGHLIN, JR., that "Mr. Cherry Hill" had "upped his number to three." MCLAUGHLIN responded that he had "a call in to Tony, for Tony to talk to me" and "I'll talk to Tony."
22. On or about July 23, 2008, during a recorded conversation at a restaurant in Cherry Hill, CW asked defendant SACCOMANNO about the timing of the corrupt payment, and SACCOMANNO indicated that he had already received it from RUSSELL B. MCLAUGHLIN, JR., as follows:

CW: When do you need your money?

AS: It's taken care of.

CW: He, Russ took care of it, he already gave it to you?

AS: Yeah.
23. In an interview with FBI special agents that took place on or about February 5, 2009, RUSSELL B. MCLAUGHLIN, JR., stated, in substance and in part, that in July 2008, at an Italian restaurant in Cherry Hill, he made a cash payment of \$2,000 to defendant SACCOMANNO.