

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



Christopher J. Christie, U.S. Attorney

More Information? Call the Assistant U.S. Attorney or other contact listed below to see if more information is available.

News on the Internet. News Releases and related documents are posted at our website.
Go to: <http://www.usdoj.gov/usao/nj/press/index.html>

Assistant U.S. Attorney:
MARK McCARREN
973-645-2867

appo0822.rel
FOR IMMEDIATE RELEASE
Aug. 22, 2007

Co-Owner of Municipal Truck Sales Company
Admits Paying Off Public Officials

(More)

Public Affairs Office
Michael Drewniak, PAO

973-645-2888

<http://www.usdoj.gov/usao/nj/press/index.html>

NEWARK – A co-owner of International Trucks of Central Jersey located in Hillside and Howell pleaded guilty today to scheming to defraud various local governments of the honest services of their public officials by making corrupt payments to those officials, U.S. Attorney Christopher J. Christie announced.

Matthew Appolonia, 43, of Berkeley Heights, admitted providing corrupt payments and benefits to various officials from approximately 1997 through 2005 to facilitate the purchase of trucks from his company by various local governments, including Brick Township, Seaside Heights, West Long Branch and the County of Monmouth.

The charge of defrauding the local governments of the honest services of their public officials carries a maximum penalty of 20 years in prison and a \$250,000 fine. Judge Martini scheduled sentencing for Dec. 6.

“Appolonia and his co-conspirators rigged the system with their bribes, perpetrated a fraud on the public and corrupted willing public officials,” said Christie.

Specifically, during the plea hearing before U.S. District Judge William J. Martini, Appolonia admitted participation with his brother, Stephen Appolonia, in a scheme to provide cash payments and other benefits to the former Director of Public Works for Brick Township during the late 1990s and as recently as 2004.

(The case against Stephen Appolonia, who was indicted with his brother on July 28, 2006, remains pending.)

Matthew Appolonia also admitted providing a corrupt payment of approximately \$1,200 to a Seaside Heights municipal employee in 1999 for the purpose of rewarding him for his assistance in securing the purchase of an ITCJ truck by Seaside Heights. Matthew Appolonia also detailed making two separate corrupt payments totaling several hundred dollars to a former member of the West Long Branch Council during 2002 in an effort to secure that official’s assistance in the sale of ITCJ trucks to the Borough of West Long Branch.

In addition, Matthew Appolonia admitted making corrupt payments to several public officials from the County of Monmouth to facilitate the purchase of ITCJ trucks by the County. Specifically, Matthew Appolonia admitted making a series of corrupt payments, typically ranging from \$1,000 to \$2,000, to Raymond O’Grady, the Director of the Central Motor Pool for the County of Monmouth, as well as payments to Anthony Palughi, the former Superintendent of the Division of Bridges for Monmouth County.

Matthew Appolonia admitted that the payments were designed to garner the assistance of O’Grady and Palughi in the purchase of ITCJ vehicles by the County of Monmouth as well

as the purchase of equipment supplies and repairs.

O'Grady was convicted at trial in June 2006 for accepting corrupt payments from undercover FBI agents, as well as for his involvement in a scheme to accept a corrupt payment from Stephen Appolonia in relation to the repair of a transmission on a County truck.

O'Grady was sentenced to 43 months in prison by Judge Martini on Oct. 11, 2006. Palughi pleaded guilty before Judge Martini to soliciting corrupt payments for influencing other public officials in their official capacity and is awaiting sentencing, which is scheduled for October 23, 2007.

Matthew Appolonia also admitted to providing service at steeply discounted rates on the fleet of trucks belonging to the company owned by the former Director of the Monmouth County Board of Chosen Freeholders. Appolonia also explained that his company sometimes failed to collect the payments due for repairing these trucks in an effort to influence this freeholder to assist ITCJ with the sale of trucks to the County.

During the plea proceedings, Matthew Appolonia also admitted that ITCJ would charge the amount of the corrupt payments made by him to public officials back to the local government as part of the sale price on the specific trucks sold to those government entities.

On May 23, Robert Feldman, ITCJ's salesman in charge of sales to municipalities and a co-defendant of Matthew and Stephen Appolonia, pleaded guilty to facilitating corrupt payments to Richard Messer, in conjunction with the sale of ITCJ trucks to Neptune Township. During his plea proceedings, Feldman admitted that he instructed Messer, at the direction of Stephen Appolonia, to create phony landscaping invoices to conceal the true purpose of the payments to Messer, who worked for a vehicle services company in charge of purchasing vehicles on behalf of Neptune Township. Messer also pleaded guilty to mail fraud charges relating to this conduct. Feldman and Messer are scheduled to be sentenced by Judge Martini on Sept. 18, 2007 and Oct. 25, 2007, respectively.

Christie credited Special Agents of the FBI's Red Bank Resident Agency, under the direction of Special Agent in Charge Weysan Dun, and detectives from the Brick Police Department, under the direction of Police Chief Ron Dougard, and the Ocean County Prosecutor's Office, under the direction of Ocean County Prosecutor Marlene Lynch Ford, with the investigation that resulted in today's guilty plea. Christie also credited Assistant U.S. Attorneys Mark McCarren (Chief, Public Protection Unit) and Hope Olds who are prosecuting the cases.

-end-

Defense Counsel: Anthony Iacullo, Esq. - Lyndhurst

