

NEWS

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FOR IMMEDIATE RELEASE
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Former Postal Manager in Newton and Other N.J. Locations
Indicted for Misuse of Government Property and Employees

(More)

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NEWARK— A former Post Office operations manager for the U.S. Postal Service has been indicted for conspiring to defraud the United States, for making false statements and entries and falsifying material facts, and accepting corrupt payments from the owner and operator of a Newton automobile repair and mobile wash service, U.S. Attorney Christopher J. Christie announced.

John F. Balliro, 51, of Hamburg, worked in various capacities in the Postal Service, including as an Officer in Charge and a Postmaster for the Newton Post Office from April 1996 to August 1999. He 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 over 75 post offices in Morris, Sussex, and Warren Counties.

Balliro, who was put on administrative leave by the U.S. Postal Service in May 2006, will be arraigned on the Indictment on a date yet to be determined. He was not arrested and must voluntarily appear for arraignment.

The investigation continues as to others alleged co-conspirators.

The Indictment charges that from 1996 to March 2005, Balliro conspired with others, including Co-conspirator 1, another Postmaster who is not named in the Indictment, to defraud the United States government in various ways that included: misuse of a Postal Service employee's work-time and services; Postal vehicle maintenance fraud and self-dealing; rewarding employees for donating annual leave to relatives and Co-conspirator 1's ex-wife; and overall concealment of the fraudulent and self-dealing conduct.

With regard to the misuse of Postal Service employees' work-time and services, it is specifically alleged that Balliro had a Postal Service employee perform significant building and carpentry work to construct unauthorized offices and other improvements at Postal Services facilities. Among those instances alleged in the Indictment was significant unauthorized work by a Postal employee including the demolition of walls, carpentry, plumbing electrical work and more at the Newton Post Office.

Other unauthorized work was allegedly performed by a Postal employee at the Bushkill, Pa. home of one of Balliro's ex wives, and at the home of Co-Conspirator 1 in Hamburg. Balliro allegedly caused time and attendance records of the employee to be falsified and the employee's travel expense claims to be inflated so that Balliro could pocket some of the cash.

As to the Postal vehicle maintenance fraud and self-dealing, the Indictment charges that as part of the conspiracy, Balliro steered maintenance and cleaning work for Postal Service vehicles that amounted to at least \$600,000 to an automobile and car-wash

business in Newton, a material portion of which was for unnecessary service and based on inflated billings.

In return, the Indictment charges, Balliro accepted free automobile repairs for himself, and his relatives and associates, including a free automobile with repairs for his son, as well as money to defray the expenses of a relative's wedding. Furthermore, the Indictment alleges that Balliro successfully solicited the proprietor of the automobile and car-wash business to permit Balliro's son to become a part-owner of the car-wash portion of the business.

In rewarding employees for donating leave, it is alleged that Balliro and Co-conspirator 1 induced Postal Service employees to donate leave through the Annual Leave Sharing Program to benefit one of Balliro's relatives and Co-conspirator 1's ex-wife. In return, Balliro and Co-conspirator 1 caused and permitted time and attendance records to be falsified to indicate that the employees were working when, in fact, they were not.

With regard to the overall concealment of fraudulent and self-dealing conduct, the Indictment charges that Balliro and others did and caused others to: submit documents to the Postal Service containing false statements and/or omissions of material fact; conduct certain transactions in cash to eliminate an audit trail; and threaten and intimidate other Postal Service employees to not report aspects of their conduct to Postal Service personnel, including sending a threatening cartoon to a Postal Service employee who had reported aspects of the above-detailed conduct to Postal Service authorities and others.

The charge of conspiracy to defraud the United States and the charge of making false statements and entries and falsifying material facts each carries a maximum penalty of five years in prison and a \$250,000 fine. The charge of receiving corrupt payments carries a maximum penalty of two years and a \$250,000 fine.

The Indictment is merely an accusation, and the defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

Christie credited Special Agents from the U.S. States Postal Service, Office of Inspector General, under the direction of Jane Hughes, Special Agent in Charge of the New York and New Jersey Field Offices, with developing the case against Balliro.

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: Thomas Bello, Esq., Staten Island, N.Y.

