

# NEWS

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

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***Christopher J. Christie, U.S. Attorney***

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

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FOR IMMEDIATE RELEASE  
Oct. 11, 2006

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Former Middletown Committeeman Raymond O'Grady  
Sentenced to 43 Months in Prison for Accepting Cash Bribes

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(More)

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NEWARK – Former Middletown committeeman Raymond J. O’Grady was sentenced today to 43 months in federal prison on his corruption convictions for taking more than \$8,000 in cash bribes, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge William J. Martini also ordered O’Grady to pay a fine of \$5,000. Judge Martini said O’Grady must surrender to the federal Bureau of Prisons by Nov. 28 to begin serving his sentence.

After just three hours of jury deliberations, O’Grady was convicted on June 8 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.

“This is an appropriately long prison sentence for O’Grady,” said Christie. “As the trial illustrated, O’Grady corrupted himself by accepting envelopes of cash in exchange for his influence and official action. He sold himself and abandoned his obligation to be an honest elected official in Middletown and government official in Monmouth County.”

Videotaped recordings of O’Grady played at trial showed O’Grady talking – at times bragging – about his ability to evade detection in accepting bribes.

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.

Counts One, Two and Three 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 this \$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.