

NEWS

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FOR IMMEDIATE RELEASE
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Another Contractor Admits Making Corrupt Payments to New Brunswick Officials

(More)

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CAMDEN – An owner of a Perth Amboy-based construction and maintenance business, which received more than \$900,000 in rehabilitation contracts from the City of New Brunswick’s Department of Community Planning and Economic Development, pleaded guilty today to making concealed payments to multiple officials in exchange for the receipt of contracting work and other official favors, U.S. Attorney Christopher J. Christie announced.

George Thomas, 38, of New York City, co-owner of a Perth Amboy construction firm, admitted to participating in a scheme to give cash and other benefits to multiple employees of New Brunswick’s Department of Community Planning and Economic Development (“the Department”), in exchange for the officials exercising their influence in favor of Thomas’s company.

Thomas pleaded guilty to a one-count Information before U.S. District Court Judge Joseph E. Irenas. The Information charged him with making corrupt payments to a city official. The charge carries a maximum penalty of 10 years in prison and a \$250,000 fine, according to Assistant U.S. Attorney Brian R. Howe.

Today was Thomas’s first appearance in court in connection with the corruption investigation. Judge Irenas released him on an unsecured \$100,000 personal cognizance bond pending sentencing on July 27.

Between June 2004 and September 2006, Thomas’s construction firm received in excess of \$900,000 in rehabilitation contracts from the Department. During that time, Thomas admitted that he and a co-schemer, who helped him manage the company, made concealed cash payments on a monthly basis to the Department’s Director of the Neighborhood Preservation Project in exchange for his awarding them rehabilitation contracts every month.

At the outset of the scheme, Thomas admitted that the Director requested, and Thomas and his co-schemer gave, a cash payment of approximately 7 percent of the value of each rehabilitation contract the Director awarded Thomas’s company. Thomas stated that by in or around 2006, Thomas and his co-schemer gave the Director cash payments of approximately \$2,000 every month in exchange for the contracts he awarded.

Thomas also admitted to paying the Department’s Rehabilitation Construction Inspector and Assistant Zoning Officer (the Inspector) approximately \$500 every 4-6 weeks. Thomas stated that he and his co-schemer made these payments to the Inspector in exchange for expedited and lenient inspections.

Thomas further acknowledged that he and his co-schemer made multiple payments of approximately \$100 to a Supervisory Clerk for the Department. Thomas stated that they

made these payments to the Supervisory Clerk in exchange for accelerating the payment of Department checks to their company.

The New Brunswick officials who receive the payments were not identified in court nor in court documents. Christie said the investigation into official corruption in New Brunswick continues.

The federal investigation began after the matter, in its early stages, was referred by the Middlesex County Prosecutor's Office to the U.S. Attorney's office and federal investigative agencies.

Nearly two weeks ago, Joseph McNulty, 42, of North Brunswick, and Sam K. John, 48, of Sayreville, co-owners of a New Brunswick-based construction and maintenance firm, also admitted to participating in a scheme to give cash and other benefits to multiple employees of the City of New Brunswick's Department of Community Planning and Economic Development in exchange for official favors for their company. For a news release on those guilty pleas, on March 15, follow the appropriate links at www.usdoj.gov/usao/nj/press/2007releases.html

Christie credited Special Agents of the FBI's Franklin Township Resident Agency, under the direction of Acting Special Agent Pedro Ruiz, and Special Agents of U.S. Department of Housing and Urban Development Office of the Inspector General, under the direction of Special Agent in Charge Rene Febles for the investigation leading to today's guilty pleas. The investigation also was assisted by investigators from the Middlesex County Prosecutor's Office, under the direction of Middlesex County Prosecutor Bruce J. Kaplan, and the New Brunswick Police Department, under the direction of Police Chief Joseph Catanese. The case is being prosecuted by Assistant U.S. Attorney Brian R. Howe of the U.S. Attorney's Special Prosecution's Unit in Newark.

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Defense counsel:

Norman L. Kline, Esq. – New Brunswick, NJ