

The United States Attorney's Office

## Eastern District of North Carolina

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### FOR IMMEDIATE RELEASE:

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### THREE FORMER NC-DOT EMPLOYEES SENTENCED

**RALEIGH** - United States Attorney George E. B. Holding announced that in federal court United States District Judge James C. Dever, III, sentenced three former officials of the North Carolina Department of Transportation ("NC-DOT"). They are **DANNY RAY TAYLOR**, 48, of Stokes, North Carolina; **DON CHADWICK FORNES**, a.k.a. Chad Fornes, 38, of Ayden, North Carolina; and **MICHAEL J. DELMONTE**, 40, of Washington, North Carolina. **TAYLOR** was sentenced to 54 months' imprisonment and restitution of \$10,800.00 was imposed. **FORNES** and **DELMONTE** each received a sentence of 21 months' imprisonment. Restitution in the amounts of \$9,900.00 and \$8,900.00 were imposed for **FORNES** and **DELMONTE**, respectively.

United States Attorney Holding said: "As public servants, each of the defendants in this case was given the privilege of serving the citizens of North Carolina. Public servants, whether they be elected officials or agency employees, must act honestly and with integrity in discharging their responsibilities to the public. By their corrupt actions, the defendants have violated the public's trust and soiled the reputation of the large majority of hard working public servants who properly execute their responsibilities to the citizens of North Carolina. It is a privilege to serve North Carolina—not an opportunity to misuse one's position by extorting cash from state contractors. The People of North Carolina should rest assured that your public officials will always be held to the highest standards. As I have stated in other public corruption cases, if a public official breaks the law, the prosecutors and the Courts will hold them accountable. This is my continued promise."

A federal Grand Jury returned a Criminal Indictment on June 20, 2007 charging the trio. On August 28, 2007, all three entered guilty pleas to extortion under color of official right, aiding and abetting. Additionally, **DELMONTE** plead to conspiracy to commit Hobbs Act, money mail fraud and honest services mail fraud.

**TAYLOR** worked for NC-DOT from 1988 until 2006. He served as a District Engineer in charge of all road maintenance projects for the NC-DOT in Beaufort and Pitt Counties. As District Engineer, **TAYLOR** had full authority to award certain NC-DOT contracts to private companies and exercised supervisory authority over a number of NC-DOT employees, including co-defendants **FORNES** and **DELMONTE**. As early as 2004, **TAYLOR** began using his position with NC-DOT to extort money from an asphalt paving company by demanding a payment equal to ten percent of the gross amount earned by such company on state contracts awarded by **TAYLOR**.

In mid-2006, **TAYLOR**, after advising a small grading and paving company that he would award them some state contracts after it obtained a Disadvantaged Business Enterprise Certificate, awarded a number of contracts to the company. **TAYLOR** increased the amount the company proposed to charge the state and then informed the company's owners that he would need "ten percent off the top." **TAYLOR** received \$7,300 in corrupt payments from the company.

**FORNES** began extorting money from a tree removal company as early as January of 2000. **FORNES** made a practice of adding extra hours to the time sheets of the tree removal company to fraudulently increase the amount paid by NC-DOT to a tree removal company, and then demanded a higher payment from the tree removal company. Later, in about 2002, **FORNES** began splitting the corrupt payments he received from the tree removal company with **DELMONTE**. **FORNES** and **DELMONTE** also received corrupt payments totaling

at least \$2,500 from an asphalt paving company. **DELMONTE** also extorted money from a land development company, which had a contract with NC-DOT to do storm clean-up after a hurricane. Once again, the company's time sheets were inflated by **DELMONTE** in exchange for \$1,800, which he split with **FORNES**.

**FORNES** and **DELMONTE** also extorted \$2,600 from same grading and paving company from which TAYLOR extorted payments. Once again, the hours claimed on the time sheets of the grading and paving company were inflated to defraud the NC-DOT.

Investigation of the case was conducted by the Federal Bureau of Investigation and the North Carolina State Bureau of Investigation. Assistant United States Attorneys Dennis M. Duffy and John Stuart Bruce are prosecuting the case for the government. The investigation into activities at NC-DOT will continue.

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