

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
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Trenton, New Jersey 08608

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***Paul J. Fishman, U.S. Attorney***

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

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FOR IMMEDIATE RELEASE  
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Former President and CEO of the Charlie Brown's Chain of  
Restaurants Pleads Guilty to Defrauding the Company

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(More)

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TRENTON –The former president and CEO of the Charlie Brown’s chain of restaurants pleaded guilty today to conspiring to defraud the company by accepting kickback payments totaling more than \$1 million in exchange for awarding contracts to certain vendors, U.S. Attorney Paul J. Fishman announced.

Russell D’Anton, 49, of Manasquan, made his first appearance in federal court and pleaded guilty before U.S. District Court Judge Mary L. Cooper to a two-count criminal Information charging him with conspiracy to commit mail fraud and tax evasion. Judge Cooper released the defendant on a \$500,000 unsecured bond pending sentencing, which is scheduled for may 17.

At his plea hearing, D’Anton stated that from at least as early 1999 through 2008, he was the president and CEO of Charlie Brown’s Acquisition Corporation (“Charlie Brown’s”). D’Anton admitted that he and a coconspirator, Michael Mulligan, 51, West Milford, used their positions as executives at Charlie Brown’s to direct business to vendors who paid D’Anton and his coconspirator kickbacks in the form of cash, checks and in-kind payments. D’Anton admitted that he accepted kickbacks from a variety of vendors, including a construction company and vendors who provided Charlie Brown’s with refrigeration services and bakery products. The kickbacks included expensive home appliances, checks and cash.

D’Anton further admitted that he took steps to conceal the kickback payments from his employer and that he purposefully failed to report the value of the kickback payments as income on his personal federal tax returns.

In pleading guilty to the tax evasion count, D’Anton specifically admitted that he failed to claim additional taxable income of approximately \$123,000 on his 2005 U.S. Individual Income Tax Return, which upon an additional tax of approximately \$44,341 due and owed to the IRS.

Mulligan pleaded guilty before Judge Cooper on Feb. 1, 2010, to charges of conspiracy to commit mail fraud and tax evasion. He is scheduled to be sentenced on May 13.

The charge of conspiracy to commit mail fraud carries a maximum penalty of 20 years in prison and a fine of \$250,000 or twice the aggregate loss to the victims or gain to D’Anton. The charge of tax evasion carries a maximum penalty of 5 years in prison and a \$250,000 fine.

In determining an actual sentence, Judge Cooper will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant’s criminal history, if

any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Fishman credited Special Agents of the Federal Bureau of Investigation, under the direction of Acting Special Agent in Charge Kevin B. Cruise, in Newark, as well as Special Agents with the Internal Revenue Service, under the direction of Special Agent in Charge William P. Offord, with the investigation.

The case is being prosecuted by Assistant U.S. Attorney Christopher J. Kelly of the U.S. Attorney's Criminal Division in Newark.

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Defense Counsel: Henry F. Furst, Esq.