



*United States Attorney  
District of New Jersey*

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**FORMER NEW JERSEY INVESTMENT COMPANY EXECUTIVE CHARGED  
WITH EMBEZZLING MORE THAN \$600,000 FROM COMPANY**

NEWARK, N.J. – The former managing director of Pamrapo Saving Bank’s investment company was arrested today and charged with allegedly diverting and embezzling more than \$600,000.

The charges were announced by Paul J. Fishman, United States Attorney for the District of New Jersey; Assistant Attorney General Lanny A. Breuer of the Criminal Division; Special Agent in Charge William P. Offord of the Internal Revenue Service (IRS) Criminal Investigative Division; and Inspector General Jon T. Rymer of the Federal Deposit Insurance Corporation, Office of Inspector General (FDIC-OIG).

Brian M. Campbell, 41, of Bayonne, New Jersey, was arrested this morning by IRS agents and is scheduled to make his initial appearance before United States Magistrate Judge Madeline Cox Arleo at 1:00 p.m. today in Newark. Campbell is charged in a 54-count Indictment, returned by a federal grand jury on May 27, 2010, with mail fraud and money laundering. The Indictment also contains a forfeiture allegation.

According to the Indictment filed in Newark federal court:

Campbell was the managing director and an employee of Pamrapo Service Corporation, headquartered in Bayonne, New Jersey. The now-defunct Service Corporation was the investment subsidiary of Pamrapo Savings Bank, S.L.A., a savings and loan holding company. The Service Corporation provided securities and investment services – such as the sale of stocks and bonds, mutual funds, annuities, various types of insurance policies and other money management services – to clients for a fee. In addition, the Service Corporation offered insurance products, including variable insurance and annuity products, by and through insurance companies.

The Service Corporation was required to conduct or “clear” securities transactions, such as the purchase, sale and transfer of stocks, through a registered broker-dealer because it did not possess any securities licenses. The Service Corporation also provided other investment services through a second subsidiary, an accounting company which was a sister company to the registered broker-dealer. Campbell was designated as a “registered representative” of these two entities and as such, was authorized to conduct securities transactions and other investment services for customers on behalf of the Service Corporation through the two entities.

Any commissions or fees generated by Campbell as a registered representative of the broker-dealer, as a registered investment advisor of the accounting company, or through the insurance products were considered property of the Service Corporation and were to be shared by these two entities and the Service Corporation. After the Service Corporation received its portion of the fees and commissions from the broker-dealer and the accounting company, the Service Corporation paid compensation to Campbell at rates set by the Board of Directors.

In approximately August 2006, Campbell's compensation was modified, resulting in his receiving a significant pay cut. In approximately 2007, according to the Indictment, Campbell allegedly created a scheme to divert money belonging to the Service Corporation to himself.

Specifically, the Indictment alleges that Campbell sent a letter to the registered broker-dealer, which falsely claimed that Pamrapo Savings Bank wanted commissions owed to the Service Corporation to be paid directly to Campbell. Also without the authorization or knowledge of the Board of Directors, Campbell allegedly caused a second letter to be signed that directed the registered broker-dealer and the accounting company to pay the vast majority of the fees and commissions owed to the Service Corporation directly to Campbell.

In addition, Campbell allegedly caused various insurance companies to issue fees and commissions owed to the Service Corporation directly to him, without the authorization or knowledge of the Board of Directors. Campbell then allegedly made false statements to the Pamrapo Savings Bank, its chief financial officer, the Board of Directors, the Service Corporation and others, to cover up and conceal his scheme, as well as to allow it to continue.

According to the indictment, Campbell allegedly received more than \$600,000 in checks from the various entities as a result of his scheme. In addition, the indictment alleges that Campbell laundered portions of the fraud proceeds to pay his credit card bills.

If convicted, Campbell faces a maximum potential penalty on each of the mail fraud charges (Counts 1-47) of 20 years in prison and a \$250,000 fine, and on each of the money laundering charges (Counts 48-54) of 10 years in prison and a \$250,000 fine.

In determining the actual sentence, the judge assigned to the case will consult the advisory United States 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.

The case is being prosecuted by Assistant U.S. Attorney Anthony Moscato of the U.S. Attorney's Office Criminal Division, along with Senior Trial Attorney John W. Sellers and Trial Attorney Keith Liddle of the Criminal Division's Asset Forfeiture and Money Laundering Section. The case is being investigated by the IRS Criminal Investigation Division and the FDIC-OIG.

The charges and allegations contained in the Indictment are merely accusations, and the defendant is considered innocent unless and until proven guilty.

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Defense Counsel: Michael J. Rogers, Esq., Somerville, New Jersey