



*United States Attorney
District of New Jersey*

FOR IMMEDIATE RELEASE

November 22, 2010

www.justice.gov/usao/nj

CONTACT: Rebekah Carmichael
Office of Public Affairs
(973) 645-2888

**FORMER LONG BRANCH, NEW JERSEY ATHLETIC DIRECTOR
ADMITS FRAUD AGAINST LONG BRANCH HIGH SCHOOL**

NEWARK, N.J. – Former Long Branch High School athletic director Charles Ferrara Jr., admitted today that he conspired to defraud the school through fraudulent business practices, including for his personal benefit, U.S. Attorney Paul J. Fishman announced.

Ferrara, 55, of Belmar, N.J., entered his guilty plea, to an Information charging him with conspiracy to commit mail fraud, before United States District Judge Dickinson R. Debevoise in Newark federal court.

According to the documents filed in this case and statements made in court:

Ferrara, who was employed as Long Branch's athletic director from at least January 2002 to September 2005, admitted that he conspired with officials from Circle Systems Group, Inc. ("Circle") to commit fraud relating to Long Branch's purchasing of athletic equipment and reconditioning services from Circle. On several occasions, Ferrara asked Circle officials to provide fake price quotes for goods and services, in addition to their own. Circle used the letterhead of other companies to create two fake price quotes, indicating prices higher than what Circle had quoted, or would be quoting to school purchasing officials. Ferrara used this tactic to circumvent laws and regulations that required Long Branch to obtain three price quotes from three different companies before goods and services were purchased by the school, and to steer Long Branch business to Circle.

Ferrara also admitted that he approved invoices submitted by Circle to Long Branch for payment on several occasions, knowing that Circle had not performed the full amount of services as billed. Once Long Branch paid the invoice, Circle held the excess funds as "credit" for the school. Ferrara had Circle use portions of the school's credit to purchase merchandise for his and his family's benefit, including more than \$3,000 in personal goods and merchandise – including a personal computer, video game consoles, video games and accessories, compact discs, DVD players and discs, and various clothing and apparel.

The case against Ferrara is part of an ongoing investigation into Circle's business practices. On December 22, 2008, former Circle president David Drill pleaded guilty to conspiring to defraud various New Jersey schools.

The charge to which Ferrara pleaded guilty carries a maximum potential penalty of five years in prison and a fine of \$250,000. Sentencing is scheduled for February 22, 2010.

U.S. Attorney Fishman credited special agents of the United States Department of Education Office of Inspector General, under the direction of Inspector General Kathleen Tighe in Washington; and special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward in Newark, with the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorney Christopher J. Gramiccioni of the U.S. Attorney's Office Special Prosecutions Division, and Senior Litigation Counsel John M. Fietkiewicz of the Office's Criminal Division.

10-341

###

Defense counsel: Edward J. Plaza, Esq., Red Bank, N.J.