

NEWS

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FOR IMMEDIATE RELEASE
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Field Investigator with N.J. Department of Labor Pleads Guilty to Bribery Scheme

(More)

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Breaking News (NJ) <http://www.usdoj.gov/usao/nj/press/>

CAMDEN – A field investigator with the N.J. Department of Labor & Workforce Development, Division of Wage and Hour Compliance, pleaded guilty today to federal charges in connection with a bribery scheme, admitting he accepted bribe payments from owners and operators of temporary labor firms in return for his official assistance benefitting the companies, U.S. Attorney Paul J. Fishman announced.

James Peyton, 72, of Salem, pleaded guilty before U.S. District Judge Noel L. Hillman to a two-count Information which charges him with one count each of acceptance of a bribe and subscribing to a false tax return. Judge Hillman continued the defendant's release on a \$50,000 bond pending sentencing, which is scheduled for May 19.

Peyton's responsibilities as a field investigator included conducting audits of employer books and records, reviewing quarterly payroll tax filings, and taking other investigative steps to ensure employer compliance with various payroll tax laws, including the New Jersey Unemployment Compensation Law and Temporary Disability Benefit laws.

At his plea hearing, Peyton admitted that between 2006 and 2009, he solicited and accepted corrupt cash payment from owners or operators of temporary labor firms that were in the scope of his inspection activities with the intent to be influenced in the performance of his official duties as an employee of the Department of Labor. Peyton admitted that in exchange for corrupt payments, he prepared tax forms that intentionally understated the amount of tax owed to the state by temporary labor firms.

Peyton also admitted that he filed a 2007 U.S. Individual Income Tax Return that contained false information. Peyton admitted that he falsely claimed total taxable income of \$65,728 for the calendar year 2007, which failed to claim his income gained through the bribery scheme.

Peyton was originally charged on March 20, 2009, in a criminal Complaint with one-count of solicitation and acceptance of a bribe. According to the Complaint, Peyton took as much as \$8,000 in cash bribes per quarter.

Also on March 30, 2009, Joseph Rivera, 53, of Winslow, a senior investigator with NJDOL, pleaded guilty before Judge Hillman to a two-count Information which charged him with one count each of solicitation and acceptance of a bribe and tax evasion. Judge Hillman released the defendant on a \$100,000 bond pending sentencing. A news release concerning Rivera's plea, and that of an operator of a several temporary labor firms, is available by following the appropriate links at: <http://www.justice.gov/usao/nj/>

The bribery charge carries a maximum statutory penalty of 10 years in prison and a fine of \$250,000 or twice any pecuniary gain to the defendant or loss to any victim, whichever is greatest. The charge of subscribing to a false tax return carries a maximum statutory penalty of 3 years in prison and a fine of \$100,000.

In determining an actual sentence, Judge Hillman 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, including acceptance of responsibility. The judge has wide discretion and 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 of that time.

Fishman credited Special Agents of the IRS Criminal Investigation, under the direction of Special Agent in Charge William P. Offord, and the FBI's South Jersey Resident Agency, under the direction of Special Agent in Charge Janice K. Fedarcyk, with the investigation.

The government is represented by Assistant U.S. Attorney Matthew Skahill of the U.S. Attorney's Office Criminal Division in Camden.

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Defense Attorneys: Joseph D. O'Neill, Esq. and Charles Coant, Esq. Vineland