



**UNITED STATES ATTORNEY'S OFFICE**  
*Southern District of New York*

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**FORMER NEW ROCHELLE SCHOOLS DIRECTOR INDICTED FOR  
BRIBERY IN WHITE PLAINS FEDERAL COURT**

*John C. Gallagher Jr. Charged with Soliciting and Accepting Kickbacks for Years from Outside Contractor for the City School District of New Rochelle*

*Former Contractor Pleads Guilty to Bribery, Tax Evasion*

Joon H. Kim, the Acting United States Attorney for the Southern District of New York, and Philip R. Bartlett, Inspector in Charge of the New York Office of the U.S. Postal Inspection Service ("USPIS"), announced the unsealing of an Indictment yesterday charging JOHN C. GALLAGHER JR., former Director of Environmental Services of the City School District of New Rochelle (the "School District"), with bribery. The charge arises from an alleged corruption scheme in which GALLAGHER solicited and accepted kickbacks from an outside contractor for the School District in the amount of 10 percent of the funds paid to the contractor's company by the School District. Mr. Kim also announced the guilty plea of MAURO ZONZINI, a former contractor for the School District, to bribery and tax evasion, charged in a separate Information unsealed yesterday.

Acting U.S. Attorney Joon H. Kim said: "A school district official should be doing what is best for our children and their education. Instead, as alleged, John Gallagher demanded and received more than \$150,000 in kickbacks and bribes from a contractor for the school district. We are committed to finding and rooting out corruption wherever it lurks, including, in our public schools, and we thank our partners at the U.S. Postal Inspection Service for their work in this shared mission."

USPIS Inspector in Charge Philip R. Bartlett said: "Mr. Gallagher and Mr. Zonzini were in positions of trust and therefore had a responsibility to act in the best interest of their employer and client. Unfortunately they allegedly allowed their judgment to be clouded by money. Postal Inspectors and their law enforcement partners will not tolerate the use of US Mail to facilitate alleged kickback and tax evasion schemes."

As alleged in an Indictment and an Information unsealed yesterday in White Plains federal court<sup>1</sup>:

The School District, which receives federal benefits significantly in excess of \$10,000 each year, has a Buildings and Grounds Department. It is responsible for, among other things, maintenance and repair of facilities used by the School District to educate the children. To do certain maintenance and repair work, the School District uses outside contractors.

Among the outside contractors used by the School District are companies with specialties – in, for example, masonry, electrical work, plumbing, and carpentry – sometimes referred to as “bid vendors” or “time and materials” contractors. These contractors bid annually, using set rates, and if awarded contracts, are paid by the School District to handle any projects within the contractors’ specialties that do not exceed a certain threshold cost. (As of 2009, that amount, per New York State law, was \$35,000.) A more costly project that exceeds the threshold is offered for bid and awarded to the lowest responsible bidder, unless the project is deemed a health and safety emergency (i.e., a major plumbing leak during the school year), in which case, the time and materials vendor may be asked to do the job, regardless of the cost.

GALLAGHER, the defendant, was the School District’s Director of Environmental Services, overseeing the School District’s buildings and grounds. To fill this position, the School District contracted with a company that provided, among other things, management services (“Company-1”). GALLAGHER, as an employee of Company-1, was thereby made the School District’s Director of Environmental Services, and worked full-time in the School District, as its agent, with authority to act on its behalf. GALLAGHER, as Director of Environmental Services, had influence over which contractors were awarded work by the School District, and over whether, when, and how contractors were assigned work and paid for work.

MAURO ZONZINI owned and wholly controlled a construction company in Westchester County (the “Company”). The Company contracted with the School District to do masonry work, and was hired each year by the School District as its time and materials contractor for masonry work.

From in or about 2009 through in or about 2013, GALLAGHER engaged in a corrupt, criminal scheme, in which he solicited, demanded, and accepted bribes in the form of cash payments, intending to be influenced and rewarded in connection with the School District’s business and transactions with the Company. The bribe payments that GALLAGHER solicited, demanded, and accepted were paid by ZONZINI. Routinely, after the School District paid the Company for work performed, GALLAGHER met in person with ZONZINI in a parking lot, where ZONZINI provided GALLAGHER with a kickback in the amount of ten percent of the payment the Company had received from the School District. In this way, GALLAGHER received dozens of cash bribe payments from ZONZINI, over the course of at least approximately four years, which together amounted to more than \$150,000. GALLAGHER solicited, demanded, and accepted the bribe payments intending to be influenced in and rewarded

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<sup>1</sup>As the introductory phrase signifies, the entirety of the text of the Indictment and the descriptions of the Indictment set forth below constitute only allegations, and every fact described should be treated as an allegation.

for the School District's decisions to award the Company contracts for masonry work, to assign masonry projects to the Company, and to make timely payment to the Company.

To avoid detection of his corrupt scheme, GALLAGHER concealed the cash bribe payments he received from ZONZINI. GALLAGHER did so, as he admitted during a secretly recorded conversation, by keeping the payments "in my car or in my trunk." In some instances he used the cash to make payments directly toward living expenses, without depositing it in his bank account. For example, during the corrupt scheme, GALLAGHER used the bribe money to make credit card payments, car payments, and, as he admitted during the secretly recorded conversation, "I paid for some college."

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GALLAGHER was arrested yesterday and was presented in the federal court in Harrisburg, Pennsylvania. He will be arraigned on the Indictment in the United States Courthouse in White Plains at 11:00 a.m. today, before United States Magistrate Judge Paul E. Davison.

GALLAGHER, 53, of Harrisburg, Pennsylvania, is charged with one count of bribery, which carries a maximum sentence of 10 years in prison.

ZONZINI, 52, of South Carolina, pled guilty to two counts: (1) bribery of a public official, which carries a maximum sentence of 10 years in prison, and (2) tax evasion, which carries a maximum sentence of five years in prison. The defendant will be sentenced at a future date.

The statutory maximum penalties are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendants would be determined by the judge. The case is assigned to United States District Judge Nelson S. Román.

Mr. Kim praised the outstanding investigative efforts of the United States Postal Inspection Service, the Internal Revenue Service, Criminal Investigation, and the Office's criminal investigators. He also thanked the U.S. Department of Education's Office of Inspector General for its assistance.

The case is being handled by the Office's White Plains Division. Assistant U.S. Attorneys Kathryn Martin and Benjamin Allee are in charge of the prosecution.

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