

Thursday, August 28, 2008

## ***Attorney General Corbett announces four arrests in public corruption case in Rochester Borough***

HARRISBURG – Attorney General Tom Corbett today announced theft charges against four suspects, the current president of Rochester Borough Council, the former borough manager, the former borough secretary and the treasurer of a former borough authority, in connection with mishandled funds from Rochester Borough.

Corbett identified the defendants as Edward Piroli, the former Borough Manager; Lois Sutter, the former Borough Secretary; Joseph Glenn, current President of Rochester Borough Council; and Jeffrey Simmons, Treasurer of the former Rochester Community Network Authority.

Corbett said that the grand jury investigation began in November 2007 based on a referral from Beaver County District Attorney Anthony Berosh. The grand jury recommended the criminal charges being filed today.

The grand jury found that Piroli mishandled state grant money, made a substantial withdrawal from the police pension fund, and failed to deposit state aid checks into the pension fund. The grand jury also found that Glenn and Simmons privately contracted with Rochester Borough for their own personal benefit and eventually stole property belonging to the borough.

According to the grand jury, Rochester Borough's financial situation was in a sharp decline over recent years, and as of Dec. 31, 2006, the borough was delinquent on various invoices, totaling more than \$725,000.

According to the grand jury, Piroli mishandled both state grant money and the police pension fund; and used those funds to increase Rochester's general fund, which was at least partially used to fund longevity pay, unauthorized pay raises, vehicle stipends and fuel to both Piroli and Sutter.

Corbett said that as borough manager, Piroli had the responsibility of maintaining the police pension fund, but allegedly, from 2002 to 2007, he regularly failed to deposit state aid checks into the fund. As of August 2007, the borough allegedly owed nearly \$113,000 to the pension fund for 2005 and 2006.

The investigation revealed that in October 2005, Piroli withdrew \$47,000 from the police pension fund and deposited it into the borough's general fund.

According to the grand jury, Piroli also mishandled a grant from Pennsylvania's Department of Community and Economic Development. On May 30, 2006, the borough was approved to receive a \$50,000 Community Revitalization Grant that was to be used to renovate and increase security of the Rochester Borough Police Department, however, the money was instead used to pay the mortgage for the borough building.

Corbett said that because Piroli allegedly didn't comply with the provisions of the grant, Rochester Borough is required to return the \$50,000 to the Department of Community and Economic Development and is now unable to secure additional grants from the agency.

According to the grand jury, the majority of the Rochester Borough Council was not aware that Piroli failed to comply with the grant's provisions or that the grant even existed.

In December 2005, Rochester Borough created the Rochester Community Network Authority. The Authority's purpose was to oversee adult education to include police and fire training, to administer the Rochester Theater Facility and to further the creation of Rochester's Digital District.

Along with being the president of the Rochester Borough Council, Glenn was also the president of the Rochester Community Network Authority.

According to the grand jury, the Rochester Community Network Authority rented out the basement of the borough building to the child care company, Adelphoi Village, Inc., but the borough never received any of the rent money, nor were they even aware that the Authority was collecting rent.

Corbett said that besides running the Rochester Community Network Authority, Glenn and Simmons also owned and operated Khitomer Computer Services together. The Authority allegedly used the rent proceeds and federal grant money to buy computer equipment, worth more than \$25,000, from Khitomer Computer Services.

According to the grand jury, once the Rochester Community Network Authority was terminated, Glenn and Simmons took much of the equipment and stored it in their personal residence.

On June 1, 2008, a grand jury search warrant was executed at the residence of Glenn and Simmons. Agents recovered 12 computer keyboards, 15 monitors, three printers, 13 computer towers and an electronic light source.

The grand jury found that at least one of the computers, purchased with taxpayer-funded grant money, was being used for Glenn's personal use.

The defendants were preliminarily arraigned before Beaver County Magisterial District Judge Bill Livingston. They were all released on \$15,000 unsecured bail. A preliminary hearing has been scheduled for September 5. They will be prosecuted in Beaver County by Deputy Attorney General Laurel Brandstetter of the Attorney General's Public Corruption Unit.

Below is a list of the defendants and the charges filed against them:

**Edward Piroli**, 57, 140 John St., New Brighton, is charged with two counts of theft by failure to make required disposition of funds received, two counts of misapplication of entrusted property, two counts of theft by deception, one count of criminal conspiracy and one count of conflict of interest. He faces a maximum penalty of 47 years in prison and \$100,000 in fines.

**Lois Sutter**, 54, 816 2<sup>nd</sup> St., Rochester, is charged with two counts of theft by deception, one count of criminal conspiracy and one count of conflict of interest. She faces a maximum penalty of 26 years in prison and \$55,000 in fines.

**Jeffrey Simmons**, 43, 487 Harmony Ave., Rochester, is charged with one count of theft by unlawful taking, one count of receiving stolen property, one count of criminal conspiracy and one count of conflict of interest. He faces a maximum penalty of 26 years in prison and \$55,000 in fines.

**Joseph Glenn**, 45, 487 Harmony Ave., Rochester, is charged with two counts of conflict of interest, one count of theft by unlawful taking, one count of receiving stolen property and one count of criminal conspiracy. He faces a maximum penalty of 31 years in prison and \$65,000 in fines.

(A person charged with a crime is presumed innocent until proven guilty.)

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