



**OFFICE OF THE COUNTY PROSECUTOR
COUNTY OF MONMOUTH**

132 JERSEYVILLE AVENUE
FREEHOLD, NJ 07728-2374

(732) 431-7160

MARC C. LEMIEUX
FIRST ASSISTANT PROSECUTOR

LORI LINSKEY
DEPUTY FIRST ASSISTANT PROSECUTOR

MICHAEL PASTERCHICK JR.
CHIEF OF DETECTIVES

CHRISTOPHER J. GRAMICCIONI
ACTING MONMOUTH COUNTY PROSECUTOR

July 11, 2014

James Bean, Councilman
Borough of Belmar
612 16th Ave.
Belmar, N.J. 07719

Re: PC14 – 00005 – Belmar Shoprite Gift Cards

Dear Councilman Bean:

On January 31, 2014 the Monmouth County Prosecutor's Office opened the above-captioned file, beginning an investigation into how \$20,000.00 worth of Shoprite gift cards which had been purchased by the Borough of Belmar for Super Storm Sandy victims had actually been dispersed. Det. Maria Larangeira of the Monmouth County Prosecutor's Office's Financial Crimes and Public Corruption Bureau was assigned to lead the investigation.

During the course of her investigation Det. Larangeira interviewed numerous individuals employed by the Borough of Belmar, the Belmar Elementary School, the Senior Center and the Wakefern Food Corporation. In addition, Det. Larangeira had cause to issue grand jury subpoenas to that same corporation for their records pertaining to the sale of the gift cards to Belmar.

By the end of the investigation Det. Larangeira had uncovered the following facts:

- That as a result of the damage the community endured from Super Storm Sandy, the Borough of Belmar received an outpouring of gifts in the form of cash and check donations and gift cards.
- That the Borough of Belmar deposited those checks and cash donations into an account the Borough had with Central Jersey Bank.
- On November 14, 2012 the Borough of Belmar issued Check No. 057998 made payable in the amount of \$18,000.00 to Shoprite, State Hwy 35, Belmar, NJ 07719 from one of the accounts the Borough of Belmar had with Central Jersey Bank. For record keeping purposes, this particular Shoprite is listed as Store # 700 in the Wakefern Food Corporation register of Shoprite stores.
- Belmar CFO Robbin D. Kirk drew up a purchase order in the amount of \$18,000.00. Belmar Purchasing Agent Patty Zwirz presented the

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check for \$18,000.00 to Kelly Williams, the Borough of Belmar's Director of Social Services. The total number of gift cards issued by Shoprite to the Borough of Belmar was supposed to be 400. The gift cards were presented to Ms. Williams in two business card-type boxes.

- Upon presenting the above-referenced check to Shoprite, the Borough of Belmar purportedly received \$20,000.00 worth of Shoprite gift cards, which reflected a ten percent discount contributed by Shoprite. However, no one from the Borough of Belmar actually counted the number of the cards in the two boxes when they received them from Shoprite nor did anyone memorialize the serial numbers on the individual cards on a spreadsheet or in a ledger. No one from the Borough of Belmar can accurately state how many Shoprite gift cards were in either box when they took possession of them from Shoprite. Significantly, no one who was involved in the distribution of the gift cards at either the Belmar Elementary School or the Belmar Senior Center kept a record of the individuals who received them and which cards, as identified by the individual serial numbers on each card, they received.
- The Shoprite gift cards were taken to the Borough of Belmar Offices where they remained in an office vault for six days before being removed for distribution on November 20, 2012. The office vault is accessible to a number of people in that office each day. There is no sign-in sheet for individuals who enter and leave the vault. There is no security camera that records activity inside the vault nor is there any security camera that monitors ingress and egress to the same vault. When the Shoprite gift cards were removed from the vault on November 20, 2012 to be brought to the Belmar Elementary School and the Belmar Senior Center they were not counted. As a result, no one has an accurate accounting of how many gift cards left the vault that day. Additionally, no one at either the Belmar Elementary School or the Belmar Senior Center counted how many Shoprite gift cards they received from the representatives from the Borough of Belmar.
- According to the Director of the Wakefern Food Corporation's Loss Prevention Department, the gift cards were issued in two lots. Each card had a serial number embossed on it and was valued at \$50.00. Lot 1 included cards with serial numbers 5007901917 – 5007902000. Lot 2 cards identified with serial numbers 5007912597 – 5007912912.
- Further, as of June 18, 2014, according to the Wakefern Food Corporation, of the 400 cards which were purportedly issued by Shoprite to the Borough of Belmar, 349 have been redeemed. Therefore, there are 51 gift cards that have not been redeemed at any

Shoprite Supermarket. The total value of the Shoprite gift cards which have been redeemed is \$17,450.00. The 51 unredeemed Shoprite gift cards are valued at \$2,550.00.

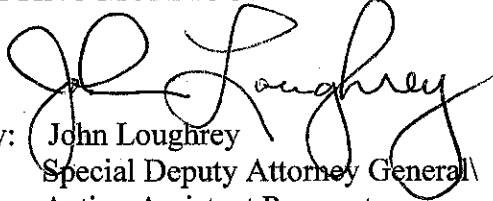
- Of the cards delivered to the Belmar Senior Center, 13 cards were not distributed to anyone and were returned to the Borough of Belmar. Once this investigation commenced those 13 cards were turned over to the Belmar Police Department. They have a total value of \$650.00.
- According to information obtained from the Belmar Elementary School, on November 21, 2012, \$7950.00 worth of Shoprite gift cards were distributed along with Thanksgiving food baskets to needy persons.
- All of the individuals responsible for the Shoprite gift card distribution process were interviewed. No one acknowledged that they were aware that anything was wrong at either location or throughout the entire process. One supervisor at the Belmar Elementary School reported that he saw the box containing the cards on top of a counter unattended and accessible to people in the office as well as the public. It was also reported that at the Belmar Senior Center the cards were not adequately safeguarded.

As I had previously stated to you during our last telephone conversation, there are no discernable proofs that any one person or groups of individuals have misappropriated the Shoprite gift cards, keeping them for themselves or distributing to them to inappropriate individuals. There is, however, every indication that the cards were not properly inventoried, adequately managed nor appropriately secured at any point after they were taken into the custody of the Borough of Belmar. Our investigation has clearly revealed that generally accepted accounting principles were not followed at any stage of the process.

If you have any questions regarding this matter please call me at the above-listed number.

Very truly yours,

CHRISTOPHER J. GRAMICCIONI
ACTING MONMOUTH COUNTY PROSECUTOR

By: 
John Loughrey
Special Deputy Attorney General
Acting Assistant Prosecutor