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BOARD OF EXAMINERS OF  
MASTER PLUMBERS  
*Barbara A. Cook*  
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Executive Director

#62472

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STATE OF NEW JERSEY  
DEPARTMENT OF LAW & PUBLIC SAFETY  
DIVISION OF CONSUMER AFFAIRS  
BOARD OF EXAMINERS OF MASTER PLUMBERS

IN THE MATTER OF THE SUSPENSION  
OF THE LICENSE OF

Administrative Action

JAMES F. SMITH, L.M.P.  
License No. 36BI01078700

CONSENT ORDER

TO PRACTICE AS A PLUMBER  
IN THE STATE OF NEW JERSEY

This matter was opened to the New Jersey State Board of Examiners of Master Plumbers ("the Board") upon receipt of information that James F. Smith ("respondent") was convicted of a crime. Respondent's license is currently suspended by application of N.J.S.A. 45:1-7.1(b), for failing to renew his license for the 2007-2009 biennial period. Respondent is now seeking reinstatement of his license.

Specifically, respondent was employed by the Department of Licenses and Inspections for the City of Philadelphia from 1995 to 2001 where he administered and enforced code regulations, issued permits, and conducted inspections. Following an investigation by the Federal Bureau of Investigation into the activities of the plumbing inspectors of the City of Philadelphia, respondent, along with seven other defendants, was indicted in the Eastern District of Pennsylvania ("the District Court") on January 16, 2003. Respondent was charged with one count of racketeering, 18

U.S.C. §1961(1) and (5), for receiving cash payoffs in exchange for providing incomplete inspections, arranging favorable times for inspections and allowing workers to work without a permit or interference from inspections. Respondent was also charged with nine counts of Hobbs Act extortion, 18 U.S.C. §1951(a) and (2), for accepting payments under color of official right. In total, respondent was alleged to have received \$13,760 from nine different plumbers during his tenure.

After trial, respondent was found guilty of racketeering and eight counts of Hobbs Act extortion. He was sentenced to three years in prison, three years supervised release, a \$6,000 fine and \$900 assessment. On appeal to the Third Circuit Court of Appeals, his case was remanded to the District Court for re-sentencing. Upon re-sentencing, the District Court lessened respondent's sentence to twenty-four months in prison, three years supervised release, a \$1,000 fine and a \$900 assessment.

After serving eighteen months in the Metropolitan Correction Center in New York City, New York, respondent was released to a halfway house for three months and the final three months of his sentence was commuted.

On January 24, 2008, respondent appeared at an investigative inquiry held by the Board. During the inquiry, respondent acknowledged signing the Employee Code of Ethics that prohibited city officials from accepting gifts that might tend to influence the discharge of their duty. Respondent admitted to accepting payments and acknowledged it was wrong. Respondent stated that the payments were part of the plumbing business in Philadelphia and had been standard practice for years. He testified that the payments in no way affected his work as a plumbing inspector and he never permitted shoddy work. The money was always offered by the plumbers and not requested by respondent.

These facts establish a basis for disciplinary action, pursuant to N.J.S.A. 45:1-21(e), in that respondent engaged in professional or occupational misconduct as may be determined by the board. These facts also establish a basis for disciplinary action, pursuant to N.J.S.A. 45:1-21(f), in that respondent has been convicted of, or engaged in acts constituting, any crime or offense involving moral turpitude or relating adversely to the activity regulated by the board.

It appearing that respondent desires to resolve this matter without recourse to formal proceedings, and for good cause shown:

IT IS ON THIS 23<sup>rd</sup> DAY OF October, 2008

HEREBY ORDERED AND AGREED THAT:

1. Respondent's license is hereby suspended for a period of seven (7) years and eight (8) months. The first five (5) years and eight (8) months of the suspension shall be served as an active period of suspension with credit granted retroactive to May 1, 2003, the date of respondent's sentencing. The remaining two (2) years of the suspension shall be stayed and served as a period of probation. The stayed suspension shall also continue until respondent demonstrates that he has been successfully terminated from the supervised release program. The stayed suspension shall become active immediately upon the Board's receipt of any information, which the Board in its sole discretion deems reliable, demonstrating that respondent has violated the terms of his supervised release.

2. Respondent is hereby reprimanded for the actions described above.

3. Respondent shall cease and desist from the violations described herein. Subsequent violations will subject respondent to enhanced penalties pursuant to N.J.S.A. 45:1-25, and further disciplinary sanctions.

BOARD OF EXAMINERS OF MASTER PLUMBERS

By: Peter I Voros  
Peter Voros  
Board President

I have read and understand the within Consent Order and agree to be bound by its terms. Consent is hereby given to the Board to enter this Order.

James F. Smith  
James F. Smith, LMP

10/6/2008  
Date