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PRESS RELEASE

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Former State Employee, Brother, and Company Convicted of Bribery Related to PPE Procurement During Pandemic

BALTIMORE, MD (October 23, 2023) – Maryland Attorney General Anthony G. Brown today announced the bribery convictions of James W. DiPino, 62, Paul J. DiPino, Jr., 56, and AB Medical, LLC relating to the procurement of personal protective equipment (PPE) by the Department of Public Safety and Correctional Services (DPSCS) during the Covid-19 pandemic. Each defendant was convicted of bribery after pleading guilty in the Circuit Court for Baltimore County. Judge Robert E. Cahill, Jr. sentenced James DiPino and Paul DiPino to ten years in prison, with all but one year and one day suspended, followed by three years of supervised probation. Assets seized by the state from both brothers during the investigation totaling \$2,625,538.57 in addition to a luxury boat were legally transferred to the state, and James DiPino was ordered to pay an additional \$1,239,242.07 in restitution, less the proceeds from the sale of the boat. AB Medical, LLC was sentenced to the statutory maximum fine of \$10,000 and ordered to pay \$3,000,000 in restitution.

In the spring of 2020, James W. DiPino was employed by the Maryland Department of Public Safety and Correctional Services as a Senior Program Manager. During the beginning of the Covid-19 pandemic, James DiPino was in a position to select vendors from which personal protective equipment would be procured for the department. Beginning on April 10, 2020, James DiPino initiated a total of 11 purchases of PPE from AB Medical, LLC, a company secretly associated with his brother, Paul J. DiPino, Jr.

James DiPino favored AB Medical, LLC over other vendors, including, on at least two occasions, declining offers from other vendors to supply certain PPE before purchasing that same PPE from AB Medical, LLC at higher prices. James DiPino also processed an order for PPE with AB Medical, LLC after being directed to hold off on doing so by an official at DPSCS and deceived the official regarding the status of the order.

Over the course of the transactions between DPSCS and AB Medical, LLC, James DiPino repeatedly pushed to expedite payments to AB Medical, LLC, even though the terms of the purchase orders gave the State 30-days to make payment.

AB Medical, LLC received its final payment from the State of Maryland on August 25, 2020. Between September 1, 2020, and September 3, 2020, AB Medical, LLC transferred \$3 million to James DiPino through two shell companies established by James DiPino and Paul DiPino. James DiPino used that \$3 million kickback to fund a personal investment account and to purchase a 2020 Four Winns FSA H350 boat for \$278,540, among other things.

“At the height of the pandemic, when many Marylanders struggled to stay afloat, the DiPino brothers selfishly redirected funds away from the State for their own financial gain” said Attorney General Anthony G. Brown. “My office and our law enforcement partners will continue to hold accountable those who attempt to defraud state government of its resources.”

"This case demonstrates the determination of law enforcement agencies and other partners, working together to protect the interests of the public," said Colonel Roland L. Butler, Jr. Superintendent of the Maryland Department of State Police, "The success of this investigation, which ultimately led to prosecution, reaffirms our joint commitment to effectively dismantle fraudulent operations."

This case was investigated by the Attorney General’s Criminal Division Fraud and Corruption Unit with assistance from the Maryland State Police Criminal Enforcement Division. In making today’s announcement, Attorney General Brown thanked Fraud and Corruption Unit Chief Alexander Huggins, who prosecuted this case, as well as investigative auditors Harry Schulz and Harry Armstrong. Attorney General Brown also thanked the Maryland State Police Criminal Enforcement Division, Maryland Department of Public Safety and Correctional Services’ Intelligence and Investigations Division, Maryland Department of Natural Resources, and the Office of the State Prosecutor for their assistance in this investigation.

<https://www.marylandattorneygeneral.gov/press/2023/102323b.pdf>