

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
970 Broad Street, Seventh Floor  
Newark, New Jersey 07102

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***Christopher J. Christie, U.S. Attorney***

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Contact:

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FOR IMMEDIATE RELEASE

Sept. 9, 2008

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Bergen County Municipal Attorney and Political Party Chairman  
Indicted in Scheme to Defraud Using Grants Consulting Company

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(More)

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NEWARK – Former Bergenfield Borough Attorney and Counsel to the Bergen County Democratic Organization (“BCDO”) Dennis Oury and BCDO Chairman Joseph Ferriero were charged today in a eight-count Indictment with conspiring to defraud the Borough of Bergenfield of Oury’s honest services and using the mails in furtherance of that scheme, U.S. Attorney Christopher J. Christie announced.

Oury and Ferriero are scheduled to surrender to authorities tomorrow, Sept. 10, and will appear before Magistrate Judge Madeline Cox Arleo in federal court in Newark on that date for an initial appearance and to set bail in this matter.

The Indictment charges that in December 2001, Ferriero and Oury conceived of a plan to form a company called Governmental Grants Consulting (“Governmental Grants”) that would be paid by Bergen County municipalities to assist these municipalities in obtaining state and local grant monies. According to the Indictment, Ferriero indicated that Governmental Grants would be successful because he could use his “influence” to help the municipalities “get a better result.”

According to the Indictment, at a Jan. 1, 2002, reorganization meeting of the Bergenfield Borough Council, Oury was appointed to serve as the Borough’s municipal attorney. At the same meeting, despite the fact that Governmental Grants was still in the planning stages and had yet to be formally organized, Bergenfield retained Governmental Grants to serve as its grants consultant and agreed to pay it a \$6,000 retainer fee, plus an additional fee calculated as a percentage of any grants or loans received.

Oury, however, did not disclose at this meeting or any time subsequently, his ownership interest in Governmental Grants, according to the Indictment. Nonetheless, Oury then allegedly went on to exercise his official power as borough attorney to further a grant-aided real estate purchase between Bergenfield and a private estate – all as Oury and Ferriero stood to gain personally from their ownership interests in Governmental Grants. Simultaneously, Oury billed Bergenfield for his work as Borough Attorney on the real estate acquisition, according to the Indictment.

“The conduct alleged in the Indictment is yet another example of people in public life putting self-interest above the public interest,” said Christie. “Our investigation is continuing.”

Oury and Ferriero also took steps to conceal their roles in Governmental Grants and prevent Oury’s undisclosed conflict of interest from coming to light, according to the Indictment. For example, despite the fact that Ferriero was the moving force behind Governmental Grants and was its largest shareholder, he drafted a shareholder agreement assigning positions of president and secretary to others with only minimal involvement with Governmental Grants. The Indictment also charges that Ferriero and Oury used other individuals’ office addresses as the Governmental Grants office address in order to conceal their involvement with the company.

In August 2002, Governmental Grants applied on Bergenfield’s behalf for \$1.2 million in funding from a Bergen County open space trust fund and New Jersey’s Green Acres grant program to acquire a private estate and preserve it as a historic site. Subsequently, according to the Indictment, Ferriero sent a copy of the grant application with a cover letter on his law firm’s

letterhead to the Commissioner of the state Department of Environmental Protection, which administers the Green Acres Program. In his letter – while never revealing his connection to Governmental Grants or his financial interest in getting grants for Bergenfield – Ferriero stated that it was “extremely important to (Ferriero) personally that this application receive favorable review by the Department.”

By late in 2002, Bergen County awarded Bergenfield \$800,000 in grant money for the estate acquisition, and the state Green Acres program awarded Bergenfield a \$600,000 grant and loan package, according to the Indictment. Consequently, based on the successful grant applications, the Borough of Bergenfield issued a check for \$128,625 to Governmental Grants, representing its “Consulting Grant Fulfillment Fees.” Oury thereafter received a check in the amount of \$25,016.97, and Ferriero a check for \$27,538.04, with the rest disbursed to other individuals associated with Governmental Grants, according to the Indictment. All of the checks were signed by Ferriero.

In addition to serving as Bergenfield’s Borough Attorney in 2002, Oury also held public office in various other municipalities. The Indictment charges that in furtherance of Oury’s and Ferriero’s scheme to defraud Bergenfield of Oury’s honest services, Oury filed, by U.S. mail, required financial disclosure statements with the New Jersey Department of Community Affairs, Local Finance Board, in Trenton, that intentionally failed to disclose Oury’s ownership interest in Governmental Grants or his receipt of income from the company.

Counts Two through Eight charge Oury and Ferriero with substantive counts of mail fraud arising from the mailings set forth above. The conspiracy charge in Count One carries a statutory maximum penalty of 20 years in prison. The substantive mail fraud counts carry the same maximum statutory penalty per count. All counts carry a maximum fine of \$250,000 per count.

An Indictment is merely an accusation. Despite indictment, every defendant is presumed to be innocent unless and until proven guilty beyond a reasonable doubt.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dunn, for their efforts in investigating the case.

The government is represented by Assistant U.S. Attorneys Thomas R. Calcagni and Rachael A. Honig of the U.S. Attorney's Office Special Prosecutions Division in Newark.

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Defense Counsel:

Dennis Oury: Gerald Krovatin, Esq., Newark

Joseph Ferriero: Joseph Hayden, Esq., Roseland