

NEWS

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



Christopher J. Christie, U.S. Attorney

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Assistant U.S. Attorneys:
RICHARD E. CONSTABLE III
and ADAM S. LURIE
973-645-2700

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Linden Official Admits Taking More Than \$180,000 in Bribes;
His Brother and One Other Defendant Also Plead Guilty in Scheme

(More)

Public Affairs Office
Michael Drewniak, PAO

973-645-2888

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TRENTON – The former field representative for the City of Linden’s Neighborhood Redevelopment Program pleaded guilty today to accepting over \$180,000 in corrupt cash payments and other benefits in exchange for official favors, U.S. Attorney Christopher J. Christie announced.

Frank Rose, 53, of Marco Island, Fla, who was employed by the City of Linden’s Neighborhood Redevelopment Program (the “Program”), admitted accepting corrupt cash payments from contractors who won lucrative home repair and construction contracts, in exchange for exercising and agreeing to exercise his official influence in favor of the contractors’ companies.

Frank Rose’s brother, the former Director of the City of Linden Transportation and Parking Department, also pleaded guilty today (described below) to paying corrupt cash payments to Frank Rose, as did a third individual.

“These guilty pleas prove just how deeply corrupted this program had become,” said Christie. “We have further to go in our investigation.”

Frank Rose pleaded guilty to a six-count Information before U.S. District Court Judge Anne E. Thompson. Count One of the Information charges Rose with accepting corrupt payments and other benefits. Counts Two through Six charge Rose with filing false tax returns that failed to report as income the corrupt cash payments he received from the contractors. Count One carries a maximum statutory penalty of 10 years in prison and a \$250,000 fine, Counts Two through Six each carry a maximum statutory penalty of three years in prison and a \$100,000 fine, according to Assistant U.S. Attorneys Richard E. Constable, III and Adam S. Lurie.

Today was Rose’s first appearance in court in connection with the corruption investigation. Judge Thompson released him on an unsecured \$50,000 bond pending sentencing on May 22, 2008.

Between January 1998 and October 2007, Rose was the field representative for the Program, which sought to revitalize homes and expand home ownership for low- and moderate-income people using federal funds received from the U.S. Department of Housing and Urban Development (HUD). As the Program field representative, Rose acknowledged, among other things, that he directed the Program, solicited bids from contractors who sought Program contracts to revitalize homes, and was supposed to award contracts to the lowest bidders.

Rose admitted that he solicited and accepted corrupt cash payments ranging from approximately \$500 to \$5,000 per job from five different contractors. Rose admitted that in exchange for the corrupt cash payments he “rigged” the bidding process so that the five

contractors were ensured lucrative contracts ranging from approximately \$20,000 to \$60,000 per job. As part of his plea agreement, Rose agreed to pay \$189,000 in restitution to HUD, the amount representing the corrupt payments that Rose received during the scheme.

Anthony Rose, Frank Rose's brother, also pleaded guilty today to paying corrupt cash payments to Frank Rose. Anthony Rose, the former Director of the City of Linden Transportation and Parking Department, and a silent partner in two separate construction and maintenance businesses based in Clark and Toms River, pleaded guilty to an Information charging one count of mail fraud, as well as a forfeiture count. During the plea hearing, Anthony Rose admitted participating in a scheme with other contractors to give cash to Frank Rose, in exchange for Frank Rose exercising his influence in favor of the two construction companies for which Anthony Rose was a silent partner.

Anthony Rose, 48, of Linden, admitted that in exchange for the corrupt payments he paid Frank Rose, Frank Rose awarded his two companies approximately 37 Program contracts for \$1,329,370 in construction services. As part of his plea agreement, Anthony Rose agreed to forfeit \$62,468 to the United States, an amount representing illicit profits that Anthony Rose collected during the course of the scheme.

Today was Anthony Rose's first appearance in court in connection with the corruption investigation. Judge Thompson released him on an unsecured \$50,000 bond pending sentencing on May 22, 2008.

Walter Zawacki, 56, a partner in Zawacki Construction, a construction and maintenance business based in Clark, and one of Anthony Rose's business partners, also pleaded guilty today to paying corrupt cash payments to Frank Rose. More specifically, Zawacki pleaded guilty to an Information charging one count of mail fraud, as well as a forfeiture count.

During the plea hearing Zawacki admitted participating in a scheme with other contractors to give cash to Frank Rose, in exchange for Frank Rose exercising his influence in favor of Zawacki's construction company. Zawacki admitted that in exchange for the corrupt payments he paid Frank Rose, Frank Rose awarded his construction company approximately 16 contracts for approximately \$593,610 in construction services. As part of his plea agreement, Anthony Rose agreed to forfeit \$29,680 to the United States, an amount representing illicit profits that Anthony Rose collected during the course of the scheme.

Today was Anthony Rose's first appearance in court in connection with the corruption investigation. Judge Thompson released him on an unsecured \$50,000 bond pending sentencing on May 22, 2008.

The federal investigation is ongoing.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, and Special Agents of U.S. Department of Housing and Urban Development Office of the Inspector General, under the direction of Special Agent in Charge Rene Febles, that led to today's charges. The case is being prosecuted by Assistant U.S. Attorneys Richard E. Constable, III and Adam S. Lurie of the U.S. Attorney's Special Prosecution's Unit in Newark.

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Defense counsel:

Jack Arseneault, Esq. – Chatham

Michael Koribanics, Esq. – Clifton

Robert G. Stahl, Esq. – Westfield