

NEWS

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FOR IMMEDIATE RELEASE

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Philadelphia Businessman Admits Bribing Atlantic City Councilmen

(More)

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CAMDEN – A Philadelphia businessman pleaded guilty today to bribing several council members of Atlantic City, U.S. Attorney Christopher J. Christie announced.

Carlos Matos, 58, of Philadelphia, pleaded guilty before U.S. District Judge Robert B. Kugler to a one-count Information, which charges that from as early as 2003 until August 2006, he made corrupt payments to public officials in Atlantic City. Judge Kugler released Matos on a \$100,000 bond, which is secured by properties in Philadelphia and Ventnor City, pending sentencing. Judge Kugler scheduled sentencing for Aug. 28 at 10 a.m.

A three-year South Jersey corruption investigation has netted guilty pleas from seven individuals: three Atlantic City councilmen, including council president Craig Callaway; a Camden councilman; a contractor; an insurance consultant and now Matos. Each of the defendants have admitted their roles in various schemes to exchange bribes for municipal contracts.

At his plea hearing, Matos stated that he was a businessman who sought to participate in various development projects in Atlantic City, including the development of the former Garwood Mills department store site, the Bader Field Airport site, and a comfort station on the boardwalk. Matos admitted that on numerous occasions during the time period charged in the Information he made cash payments to Councilmen Ramon Rosario, 48, Gibb Jones, 81, and Craig Callaway, 48, with the intention to influence them in connection with the business of Atlantic City.

Specifically, Matos admitted he offered to pay cash to Callaway in return for his support for Matos' attempt to obtain a city lease for a building which formerly housed a comfort station on the Atlantic City Boardwalk. Matos admitted that on Aug. 19, 2005, he gave Callaway a \$5,000 cash bribe in exchange for his support in connection with the comfort station. Furthermore, Matos admitted that he gave Callaway a subsequent cash payment of \$5,000 on Aug. 26 for his support in connection with the comfort station lease. Matos gave Callaway another \$1,000 in cash July 28, 2006, with the intention of influencing him in connection with other business of Atlantic City, he admitted.

Additionally, Matos admitted that on various occasions in August 2006 he gave Rosario cash payments totaling \$1,100 with the intension of influencing Rosario in his capacity as a councilman in connection with city business.

Callaway pleaded guilty on Aug. 30, 2006, admitting that between December 2003 and January 2005 he accepted a total of \$36,000 in multiple payments from Terry Jacobs, 42, of Pleasantville, a contractor, and undercover FBI agent whom he believed was a Wall Street financier. On March 13, 2007, Callaway was sentenced to 40 months in federal prison for accepting \$36,000 in bribes to assist the Jacobs in obtaining major construction work in Atlantic City.

Rosario and Jones both pleaded guilty before U.S. District Judge Joseph H. Rodriguez on Oct. 4, 2006. Rosario pleaded guilty to one count of attempted extortion under color of official right. At his plea hearing, Rosario admitted that he accepted a total of \$14,000 in bribes from between August 2004 and November 2004 from Jacobs, an undercover FBI agent and another businessman in exchange for his official influence in the awarding of city development contracts.

Jones pleaded guilty to one count of extortion under color of official right. Jones admitted that he accepted more than \$5,000 in regular cash payments in 2003 from a businessman in exchange for his official influence in the awarding of city development contracts.

On May 2, Judge Rodriguez sentenced Rosario to 10 months of confinement, five months to be served in federal prison followed by five months of home confinement. Judge Rodriguez also ordered Rosario to pay a \$1,000 fine and to serve three years of supervised release upon the completion of his prison term. Judge Rodriguez sentenced former councilman Jones to five years of probation, which includes six months of home confinement with electronic monitoring. At their sentencings, Judge Rodriguez granted the government's motions for downward departures from the advisory U.S. Sentencing Guidelines. Assistant U.S. Attorneys Judith H. Germano and Thomas Eicher argued in favor of the downward departure based on the defendants' significant cooperation in the investigation.

Christie credited Special Agents from the FBI, under the direction of Acting Special Agent in Charge Pedro Ruiz, in Newark, with the investigation of corruption in the Atlantic City region.

The case was prosecuted by Assistant U.S. Attorneys Eicher and Germano, both of the U.S. Attorney's Office Special Prosecutions Division in Newark.

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Defense Counsel: Charles Nugent, Jr. Esq. Cherry Hill