

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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Contact:

Michael Drewniak, PIO
973-645-2888

pate0326xxxxx.rel
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Fourteen Public Officials and Employees of Paterson and Passaic Charged with Accepting Bribes

– Most Worked for the Paterson Housing Authority –

(More)

Public Affairs Office
Michael Drewniak, PAO

973-645-2888

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NEWARK – Fourteen current and former public officials and employees from Paterson and Passaic – including the former Deputy Director of Paterson’s Section 8 housing program and a Paterson Municipal Court clerk – have been charged with soliciting and accepting bribes from an individual they believed to be a local property manager who in fact was cooperating with federal agents, U.S. Attorney Christopher J. Christie, Acting FBI Special Agent in Charge Pedro Ruiz and Department of Housing and Urban Development Office of Inspector General Special Agent in Charge Rene Febles announced today.

FBI agents made eight arrests early this morning, acting on arrest warrants and criminal Complaints filed Friday under seal in federal court. Those eight defendants are scheduled to make initial appearances at 2 p.m. today before U.S. Magistrate Judge Esther Salas. The remaining six defendants charged in the Complaints have been ordered to appear in court on Wednesday at 2 p.m. before Judge Salas.

The arrests are part of an undercover investigation during which the public officials accepted corrupt payments from the cooperating witness (the “CW”), who they believed was involved in renting residential apartments to recipients of federal Section 8 housing subsidies.

The officials accepted the payments in exchange for agreeing to steer Section 8 tenants to the CW’s properties, expedite required building inspections, and to obtain dismissals of tenant complaints filed against the CW in municipal court. One defendant, Benny Ramos, the former Deputy Director of the Paterson Housing Authority’s Section 8 program, admitted accepting approximately \$85,000 to \$100,000 in similar bribes from a number of sources over a period of several years, according to one of the Complaints.

“The investigation reveals a pervasive willingness among employees and officials at all levels of the Housing Authority to take bribes,” said Christie. “Unfortunately, that says a lot about the integrity of this public agency as a whole. Crimes like this effect the quality of life of ordinary people playing by the rules. We will not permit them to be exploited.”

"Today's corruption arrests are further proof that our ongoing team effort is slowly, but surely, leveling the playing field for the citizens of New Jersey," said Ruiz

"The Department of Housing and Urban Development provides programs and services to those of our citizens often the most in need," said Febles. "It is all the more offensive when certain individuals violate the public trust by harming those programs. The HUD Office of the Inspector General remains committed to being a stalwart for the American taxpayer and to being steadfast in its vigorous investigations of those who seek personal gain at the expense of those requiring relief."

The CW referred to in the Complaints was an individual known to the public officials as someone who helped others to purchase multi-family properties in Paterson and Passaic as investments and then “managed” those investments by renting the properties to tenants, including those eligible for Section 8 housing benefits. During many tape-recorded and videotaped conversations, the public officials accepted cash bribes ranging from \$50 to \$3,000

from the C.W., in some instances with the assurance that they intended to “work hard” for the C.W. in helping the C.W.’s business to run smoothly.

One defendant, City of Paterson building inspector Victor Ortiz, allegedly agreed with the C.W. that he would certify that required repairs to one building had been made if the C.W. merely “put a slap of paint on it.” Similarly, Paterson Housing Authority Section 8 caseworker Marisol Cortez, who with fellow caseworker Flora Cruz agreed to steer Section 8 clients to the C.W.’s apartments, allegedly explained to the C.W. that “when we rent it, then you pay us.”

Defendants Elisa Griffin, Lee Holland, Benny Ramos, and Princess Reaves are charged with soliciting and accepting bribes, which carries a maximum statutory penalty of 10 years in prison and a \$250,000 fine. Defendants Mark Hooks and Yolanda Lane are charged with extortion under color of official right; and defendants George Morgan, Victor Ortiz, Robert Schweiderick, and Standley Williams are charged with conspiring to commit extortion under color of official right, both of which carry a maximum penalty of 20 years in prison and a \$250,000 fine. Defendants Marisol Cortez, Flora Cruz, Javier Nunez, and Maria Rosa are charged with conspiring to solicit and accept bribes, which carries a maximum penalty of five years and a \$250,000 fine.

The following defendants are scheduled to make appearances before U.S. Magistrate Judge Esther Salas today at about 2 p.m: Cortez, Cruz, Griffin, Holland, Lane, Morgan, Nunez, and Rosa. The remaining defendants are scheduled to appear before Judge Salas at 2 p.m. on Wednesday.

The attached chart sets forth some of the details alleged in the criminal Complaints. The Complaints are merely accusations, and the defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

The cases of each of the defendants will be presented to a grand jury to consider whether they should be formally charged in an Indictment. Upon indictment, the defendants will appear for arraignment and enter a plea before the U.S. District Judge to whom the case is assigned.

Christie credited Special Agents of the FBI’s Garret Mountain Resident Agency in West Paterson, under the direction of Acting Special Agent in Charge Ruiz, and the HUD OIG, under the direction of Special Agent in Charge Febles, with the investigation that resulted in today’s charges. Christie also credited Assistant U.S. Attorneys Rachael Honig and Hope Olds of the Office’s Special Prosecutions Division, who are prosecuting the cases.

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DEFENDANT	AGE & RESIDENCE	POSITION	CONDUCT	CHARGE
Marisol Cortez Arrested	45, Paterson	Paterson Housing Authority Section 8 Caseworker	Accepted \$200 in bribes	Conspiracy (bribery)
Flora Cruz Arrested	53, West Paterson	Paterson Housing Authority Section 8 Caseworker	Accepted \$200 in bribes	Conspiracy (bribery)
Elisa Griffin Arrested	38, Paterson	Paterson Housing Authority Section 8 Caseworker	Accepted \$1,900 in bribes	Bribery
Lee Holland Arrested	61, Paterson	Paterson Housing Authority Section 8 Building Inspector	Accepted \$600 in bribes	Bribery
Mark Hooks	47, Passaic	City of Passaic Building Inspector	Accepted \$500 in bribes	Extortion
Yolanda Lane Arrested	38, Paterson	City of Paterson Lead Paint Inspector	Accepted \$300 in bribes	Extortion
George Morgan Arrested	60, Toms River	Passaic Valley Water Commission Employee	Accepted \$200 in bribes	Conspiracy (extortion)
Javier Nunez Arrested	40, Paterson	Paterson Housing Authority Employee	Accepted \$500 in bribes	Conspiracy (bribery)
Victor Ortiz	42, Paterson	Paterson Housing Authority Section 8 Building Inspector	Accepted \$4,750 in bribes	Conspiracy (extortion)
Benny Ramos	42, Clifton	Deputy Director, Paterson Housing Authority Section 8 Program	Accepted \$3,000 in bribes	Bribery
Princess Reaves	46, East Orange	City of Paterson Deputy Court Administrator	Accepted \$2,500 in bribes	Bribery
Maria Rosa Arrested	33, Paterson	Paterson Housing Authority Section 8 Caseworker	Agreed to accept bribes	Conspiracy (bribery)
Robert Schweiderick	56, Port Charlotte	Passaic Valley Water Commission Employee	Accepted \$830 in bribes	Conspiracy (extortion)
Standley Williams	44, Paterson	City of Paterson Building Inspector	Accepted \$6,750 in bribes	Conspiracy (extortion)