

NEWS

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FOR IMMEDIATE RELEASE
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Five School Board Members, Two State Assemblymen, Mayor, Councilman and Others Arrested in Public Corruption Probe

– Defendants from South and North Jersey –

(More)

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TRENTON – In a public corruption investigation that progressed from southern to northern New Jersey, five members of the same local Atlantic County school board, two state Assemblymen from Passaic and Essex Counties, the mayor of Passaic and one current and one former Passaic city council member, and the chief of staff to the Newark City Council president were arrested today and charged with taking cash bribes to influence the award of public contracts, U.S. Attorney Christopher J. Christie and FBI Special Agent in Charge Weysan Dun announced.

Each of the 11 public officials and one associate accepted the payments from companies that offered insurance brokerage or roofing services to school districts and municipalities, according to criminal Complaints unsealed with the arrests this morning. The investigation began in mid-2006 amid evidence of corruption in the Pleasantville School District. In response, the FBI established an undercover insurance brokerage company purporting to employ the government's two cooperating witnesses and undercover agents.

Pleasantville School Board members allegedly took thousands of dollars in bribes from the cooperating witnesses. The circle of corruption widened when certain Pleasantville school board members referred the cooperating witnesses to public officials in northern New Jersey who also took bribes and, in turn, put the cooperating witnesses in touch with still other corrupt public officials, according to the Complaints.

The investigation included hundreds of tape-recorded and/or videotaped encounters, during which the officials charged in the complaints openly expressed their desire to enrich themselves using their public positions and influence. The defendants accepted corrupt payments ranging from \$1,500 to \$17,500 at any one time. In most cases, the defendants sought to establish and perpetuate a corrupt relationship with the cooperating witnesses to continue receiving bribes.

“The brazen greed and callous disregard of their oaths of office displayed by these defendants as alleged in the criminal complaints is breathtaking,” said Christie. “Public officials around the state should finally learn that federal law enforcement will not rest while they continually violate the public trust. This pattern of corruption infects every level of government – from the local school board to the highest levels of state government. The public has had enough.”

“There is no safe haven for corruption in New Jersey,” said Dun. “The FBI continues to fight corruption as it seems there is a never-ending supply of public officials willing to subvert their positions and lay themselves on the alter of public disgrace.”

The defendants were arrested at their respective homes early this morning on criminal Complaints charging them with attempted extortion or conspiracy to commit extortion.

Each of the defendants was scheduled to make initial appearances today before U.S. Magistrate Judge Tonianne Bongiovanni in federal court in Trenton

Following are the individuals charged and summaries of the allegations against them (the criminal Complaints give fuller details of the alleged conduct for each defendant):

- Paterson Assemblyman Alfred E. Steele, 53, also a Passaic County Undersheriff, allegedly accepted corrupt cash payments of \$5,000, \$3,000 and four separate payments of \$1,500 each between March and August 2007 to assist the cooperating witnesses and an undercover agent in obtaining local government insurance business.
- Orange Mayor and State Assemblyman Mims Hackett, Jr., 65, allegedly accepted a \$5,000 corrupt cash payment on Aug. 14, 2007 to steer City of Orange insurance brokerage business to the cooperating witnesses and undercover agent. The \$5,000 represented an “up-front” payment for Hackett, who allegedly agreed to accept another \$25,000 once the City of Orange approved an insurance brokerage contract for the Company.
- Passaic Mayor Samuel “Sammy” Rivera, 60, allegedly accepted \$5,000 on Aug. 13, 2007, after assuring the Company that he could deliver four of seven city council votes to make the undercover company the insurance broker of record for Passaic. He also told the cooperating witnesses from the Company that he would be able to control five of seven commissioners of the Passaic Valley Water Commission and steer insurance brokerage business to the cooperating witnesses.
- Passaic City Council member Marcellus Jackson, 37, allegedly accepted cash payments of \$2,500, \$5,000, \$6,000 and \$3,000 between January and August 2007 to steer municipal insurance brokerage business to the undercover witnesses. Upon receipt of the \$6,000 payment on April 5, Jackson allegedly said to one of the cooperating witnesses, “I appreciate it, baby. Good things is gonna happen.”
- Former Passaic City Council member Jonathan Soto, 32, allegedly accepted cash payments of \$5,000, \$5,000 and \$2,500 between November 2006 and February 2007 to steer municipal business to the cooperating witnesses. “The sky is the limit with Passaic...,” Soto was recorded saying to one of the cooperating witnesses on Nov. 3, 2006. “Moving forward, I have other friends in other municipalities, and I’m all for getting my feet wet as well, man, you know what I’m saying? And I’m very appreciative that, you know, you guys have counted me as part of the team.”
- Former President of the Pleasantville Board of Education Jayson Adams, 27, allegedly accepted corrupt payments of more than \$15,000 between May 2006 and October 2006

and arranged payments for other members of the school board to steer insurance brokerage and roofing contracts to the cooperating witnesses. In an August 2006 meeting with one of the cooperating witnesses, Adams said he trusted the cooperating witness and remarked, “We either gonna get this job together or go to jail together.”

- Pleasantville Board of Education member James Pressley, 22, allegedly accepted corrupt cash payments of \$3,600, \$3,600, \$7,500 and \$17,500 between May 2006 and October 2006 to steer school district insurance brokerage business and roofing business to the cooperating witnesses. In May 2006, Pressley was recording bragging about how his “big plan” to have three particular board members leave a board meeting, leaving only supporting votes, on a resolution authorizing a company of one of the cooperating witnesses to provide brokerage services to the district. “I had three members leave the meeting,” he said. “It was a strategy (and) it took me a week to do.... They left the board meeting, and we had the votes to do it.”
- Pleasantville School Board member Rafael Velez, 46, allegedly accepted corrupt payments of approximately \$14,000 to steer insurance brokerage business and roofing business to the cooperating witnesses.
- Former Pleasantville School Board member Maurice “Pete” Callaway, 53, allegedly accepted corrupt cash payments of \$10,000, \$1,500 and \$1,500 between May 2006 and October 2006, to steer insurance brokerage and roofing business to the cooperating witnesses. Callaway, during a May 2006 meeting with one of the cooperating witnesses said he wanted money first for his campaign for Pleasantville City Council: “It’s always the money issue,” he said. “At least ten grand would get us over the hump.”
- Pleasantville resident Louis Mister, 56, an associate of Callaway’s, allegedly aided and abetted Callaway’s extortion by accepting the two \$1,500 payments on Callaway’s behalf.
- Pleasantville Board of Education member James T. McCormick, 50, allegedly accepted a corrupt payment of \$3,500 for voting to pass a resolution authorizing the cooperating witness’ company to provide insurance brokerage to the school district.
- Chief of Staff to the Newark City Council President Keith O. Reid, 48, allegedly accepted one \$5,000 cash bribe on July 25 with the assurance that he would influence a Newark official to help the cooperating witnesses obtain insurance brokerage business in the City of Newark. He allegedly accepted a second \$5,000 cash payment as an intermediary for an official of another municipality in exchange for attempting to obtain government insurance business with that municipality.

Each of the defendants is charged with either conspiracy to extort corrupt payments or attempting to extort corrupt payments. Both charges carry a maximum statutory penalty of 20 years in federal prison.

A criminal Complaint is merely an accusation. All of the defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt.

Christie credited Special Agents of the FBI Newark Division, under the direction of Special Agent in Charge Weysan Dun, with the investigation leading to today's charges; and prosecutors and investigators with the Atlantic County Prosecutor's Office, under the direction of Prosecutor Theodore F.L. Housel, for their substantial assistance in the investigation.

The cases are being prosecuted by Assistant U.S. Attorneys David Bocian and Christopher J. Gramiccioni.

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