

# 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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***Ralph J. Marra, Jr., Acting U.S. Attorney***

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***More Information?*** Contact the Assistant U.S. Attorney or other contact listed below to see if more information is available.

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## Two Former Englewood Housing Authority Officials Plead Guilty in Embezzlement Scheme

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(More)

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NEWARK – A former deputy director with the Englewood Housing Authority and a former authority accountant both pleaded guilty today for their roles in a scheme that embezzled more than \$100,000 from the authority, Acting U.S. Attorney Ralph J. Marra, announced.

Ronald Faison, 53, of Engelwood, a former Deputy Director of Maintenance at the Englewood Housing Authority (“EHA”), and Sergio Gonzalez, 65, of Paramus, a former accountant with the EHA, both pleaded guilty before U.S. District Judge William J. Martini to separate one-count Informations that charge them with embezzlement. Judge Martini released both defendants on \$5,000 bonds pending their sentencing, which both are scheduled for Nov. 18.

At their plea hearings, Faison and Gonzalez admitted that beginning in January 2004, they hatched a scheme to embezzle cash and property from the EHA. Both defendants admitted that they created phony invoices for fictitious vendors, authorized payments to those fictitious vendors, and then cashed the payments and used the funds for their personal benefit.

Additionally, Both defendants admitted that they created purchase orders for appliances, such as TVs, phones and refrigerators, that were earmarked for senior citizen buildings funded by the U.S. Department of Housing and Urban Development (“HUD”) in Englewood. However, instead of having these items delivered and installed at the appropriate senior citizen housing facilities, the defendants admitted they had the items delivered to their homes.

The charge of embezzlement carries a statutory maximum penalty of 10 years in prison and a fine of \$250,000 or twice the gross amount of any pecuniary gain or loss though the offense, whichever is greatest.

In determining the actual sentences, Judge Martini will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Marra credited Special Agents of the U.S. Department of Housing and Urban Development - Office of Inspector General, under the direction of Special Agent in Charge Joseph Clarke in Philadelphia, the Bergen County Prosecutor’s Office, under the direction of Prosecutor John L. Molinelli, and the Englewood Police Department, under the direction of Chief Arthur O’Keefe, with the investigation leading to the guilty pleas.

The Government is represented by Assistant U.S. Attorney Richard E. Constable, III, of the Special Prosecutions Division in Newark.

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Defense Attorneys:

Gonzalez - Richard S. Mazaway, Esq. Clifton

Faison - Edward Cillick, Esq. Hackensack