

NEWS

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FOR IMMEDIATE RELEASE

Sept. 22, 2009

Former Director of Linden Housing Rehabilitation Program
Sentenced to 60 Months in Prison for Taking \$189,000 in Bribes

(More)

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TRENTON – The former field representative for the City of Linden’s Neighborhood Redevelopment Program was sentenced today to 60 months in federal prison for accepting more than \$180,000 in corrupt cash payments and other benefits in exchange for giving favorable treatment to certain contractors, Acting U.S. Attorney Ralph J. Marra, Jr., announced.

U.S. District Judge Anne E. Thompson also ordered Frank Rose, of Marco Island, Fla., to make restitution of \$189,000 to the U.S. Department of Housing and Urban Development (HUD). Rose must surrender to the federal Bureau of Prisons on Nov. 4 to begin serving his prison sentence.

“Frank Rose controlled and completely corrupted the Linden housing rehabilitation program for his own greedy purposes,” said Marra. “Sadly, this case represents a classic public corruption story for New Jersey.”

Also today, Judge Thompson sentenced Walter Zawacki, a partner in Zawacki Construction, a construction and maintenance business based in Clark, to three years of probation with six months of home confinement, plus a fine of \$29,000. Zawacki had pleaded guilty and admitted that he was among the contractors who paid bribes to Rose in exchange for Rose’s official assistance and influence in awarding housing rehabilitation contracts.

Rose, 54, of Marco Island, Fla, directed Linden’s Neighborhood Redevelopment Program (the “Program”). He pleaded guilty on Feb. 14, 2008, and admitted extorting corrupt cash payments from contractors who won lucrative home repair and construction contracts. Rose admitted that he took the cash in exchange for exercising and agreeing to exercise his official influence in favor of the contractors’ companies. He also pleaded guilty to filing a false income tax return.

Frank Rose’s brother, Anthony Rose, the former Director of the City of Linden Transportation and Parking Department, also pleaded guilty on the same day as his brother, to paying corrupt cash payments to Frank Rose.

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 HUD funds. 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.

Anthony Rose admitted that he was a silent partner in two separate construction and maintenance businesses based in Clark and Toms River. During his plea hearing, as well as during the trial of Ray Vella, of Elizabeth, the owner of Pavel Construction, Anthony Rose admitted giving cash to his brother in exchange for Frank Rose exercising his influence in granting contracts to him.

Anthony Rose is scheduled to be sentenced before Judge Thompson at 10:30 a.m. on Thursday.

Zawacki, 56, a partner in Zawacki Construction, a construction and maintenance business based in Clark, was one of Anthony Rose’s business partners and also admitted making corrupt cash payments to Frank Rose.

At Vella’s trial, Zawacki admitted that in exchange for the corrupt payments he paid to 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.

Vella was convicted by a jury of making corrupt payments to Rose in exchange for almost \$700,000 in construction contracts. Vella is scheduled to be sentenced by Judge Thompson on Oct. 2.

Marra 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 Joseph W. Clarke, for their work in the Linden housing corruption investigation. The case was prosecuted by Assistant U.S. Attorney Richard E. Constable, III of the U.S. Attorney’s Special Prosecution’s Unit in Newark.

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Defense counsel for Rose: Jack Arseneault, Esq. – Chatham
Defense counsel for Zawacki: Robert Stahl, Esq. – Westfield
Defense counsel for Vella: Stephen Taylor, Esq. – Princeton