

NEWS

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FOR IMMEDIATE RELEASE
Jan. 23, 2009

Elizabeth Construction Company Owner Convicted of Bribing
former Linden Housing Official and Bid-Rigging

(More)

Public Affairs Office
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TRENTON – The owner of an Elizabeth construction business was convicted in federal court today of paying bribes to a former Linden housing official in return for hundreds of thousands of dollars in contracts, Acting U.S. Attorney Ralph J. Marra, Jr., announced.

Ray Vella, 33, of Elizabeth, owner of Pavel Construction, was convicted on all counts against him – five counts of mail fraud, one count of providing corrupt payments and two counts of obtaining property by fraud through bid-rigging.

The jury began deliberating yesterday afternoon and returned its verdicts at about 1 p.m. today. The trial began with opening arguments and testimony on Jan. 14. Vella remains free on a \$50,000 unsecured bond pending sentencing scheduled for May 6.

The case was prosecuted before U.S. District Judge Anne E. Thompson by Assistant U.S. Attorneys Adam Lurie and Richard Constable of the U.S. Attorney's Office Special Prosecutions Division.

Vella paid the bribes between about January 1998 and December 2006 to Frank Rose, formerly the field representative for Linden's Neighborhood Redevelopment Program. Rose testified at trial for the government about bribes paid by Vella and other contractors. The bribes from Vella ranged from between \$500 to \$3,000 at a time. In return Rose awarded him approximately 16 contracts in construction services worth about \$652,448. Vella also testified at trial in his defense.

Each mail fraud count carries a statutory maximum penalty of 20 years in prison. The count of providing corrupt payments and the two counts of obtaining property by fraud each carries a statutory maximum penalty of 10 years in prison. All the counts carry a maximum fine of \$250,000.

On Feb. 14, 2008, Rose, of Marco Island, Fla., pleaded guilty before Judge Thompson. Rose admitted accepting corrupt cash payments from five different contractors who won lucrative home repair and construction contracts, in exchange for exercising and agreeing to exercise his official influence in favor of the contractors' companies.

Frank Rose's brother Anthony, the former Director of the City of Linden Transportation and Parking Department, also pleaded guilty on Feb. 14 to paying corrupt cash payments to Frank Rose, as did another contractor who paid corrupt cash payments to Frank Rose, Walter Zawacki. On April 24, Venancio Ribeiro also pleaded guilty to making such payments to Frank Rose; Ribeiro was also a contractor who participated in the Linden construction program. For the news release on those guilty pleas, follow links to Feb. 14 and April 24 at the Public Affairs Office website:

www.usdoj.gov/usao/nj/press/2008releases.html

Between January 1998 and October 2007, Frank Rose was the field representative for the Neighborhood Redevelopment Program, which sought to revitalize homes and expand

home ownership for low- and moderate-income people using federal funds received from the U.S. Department of Housing and Urban Development. As the Program field representative, Rose 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 at his plea hearing and during trial testimony that he solicited and accepted corrupt cash payments ranging from approximately \$500 to \$5,000 per job from five different contractors, including Vella. Rose further testified that in exchange for the corrupt cash payments he rigged the bidding process so that the five contractors, including Vella, were ensured lucrative contracts ranging from approximately \$20,000 to \$60,000 per job.

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 Rene Febles, for the investigation leading to the Indictment.

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Defense counsel: Stephen J. Taylor, Esq., Princeton