

NEWS

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FOR IMMEDIATE RELEASE

Oct. 2, 2009

Owner of Elizabeth Construction Company Sentenced to 39 Months
for Paying Bribes to Linden Housing Official for Contracts

(More)

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TRENTON – The owner of an Elizabeth construction business was sentenced today to 39 months in federal prison for 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.

U.S. District Judge Anne E. Thompson also ordered Ray Vella, 34, of Elizabeth, to pay restitution in the amount of \$82,705 to the U.S. Department of Housing and Urban Development. Vella will surrender to the federal Bureau of Prisons once a prison facility is designated.

A jury convicted Vella, the owner of Pavel Construction, on Jan. 23 on all counts against him in a federal Indictment – five counts of mail fraud, one count of providing corrupt payments and two counts of obtaining property by fraud through bid-rigging.

Vella paid 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.

Last month, Judge Thompson sentenced Rose to five years in prison.

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, 2008, to paying corrupt cash payments to Frank Rose.

Last month, Judge Thompson sentenced Anthony Rose to three years of probation with six months of home confinement. In imposing sentence, Judge Thompson took into account that Anthony Rose cooperated early in the investigation of his brother.

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 the 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 the Mid-Atlantic region, for their work in the Linden housing corruption investigation.

The cases were prosecuted by Assistant U.S. Attorney Richard Constable of the U.S. Attorney's Office Special Prosecutions Division in Newark.

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