



*United States Attorney
District of New Jersey*

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**HUDSON COUNTY CONTRACTOR ADMITS PAYING \$65,000 IN BRIBES TO
BAYONNE OFFICIAL FOR GOVERNMENT-FUNDED PROJECTS**

TRENTON, N.J. – A Hudson County, N.J. man today admitted his role in paying bribes to a Bayonne public official for the public official’s assistance in securing projects funded by the U.S. Department of Housing and Urban Development, U.S. Attorney Paul J. Fishman announced.

Joseph Arrigo, 45, of Bayonne, N.J., pleaded guilty before U.S. District Judge Peter G. Sheridan in Trenton federal court to an information charging him with one count of paying bribes totaling approximately \$65,000 to a Bayonne official who served as the director of Bayonne’s Department of Community Development. Arrigo also pleaded guilty to one count of theft and conversion of government funds in the amount of \$40,000, and one count of submitting a false tax return for tax year 2011.

According to documents filed in this case and statements made in court:

Arrigo was the owner of Shadow Contracting LLC, a general contracting company in Bayonne. The Bayonne Department of Community Development (CBD CD) was a government agency that received funds from the U.S. Department of Housing and Urban Development (HUD) under a federal program that provided grants of up to \$20,000 to low-income families to rehabilitate their homes and to repair conditions that were considered to affect their health and safety, and their homes’ accessibility, energy efficiency or code compliance. The CBD CD also provided these HUD funds under the same federal program to nonprofit organizations for the same purpose. A Bayonne public official served as the director of the CBD CD and was responsible for reviewing applications for HUD grant funds from the City of Bayonne and awarding such funds to qualified applicants.

In September 2010, the public official solicited cash payments from Arrigo in exchange for the public official’s assistance in awarding HUD grant funds from the City of Bayonne to Arrigo as the owner of Shadow Contracting. From September 2010 to February 2013, Arrigo made cash payments to the public official totaling approximately \$65,000 in exchange for the

public official's assistance in awarding HUD grant funds from Bayonne to Arrigo that totaled approximately \$426,000.

In September 2011, Arrigo assisted another contractor by supplying with a bid on behalf of Shadow Contracting that was higher than the contractor's bid to enable the other contractor to obtain HUD grant funds from the City of Bayonne. The contractor then submitted the two bids to the CBDCCD and, as a result of his collusion with Arrigo, the contractor fraudulently obtained \$20,000 in HUD grant funds from the CBDCCD. In December 2011, Arrigo caused the same contractor to provide Arrigo with a bid that was higher than Arrigo's bid for the purpose of obtaining HUD grant funds from Bayonne. Arrigo submitted the contractor's bid along with his own to the CBDCCD and, as a result, fraudulently obtained another \$20,000 in HUD grant funds from the CBDCCD.

Arrigo also made and subscribed a U.S. Individual Tax Return, Form 1040, for tax year 2011, which he did not believe to be true and correct as to every material matter, including approximately \$151,993 in unreported income.

The bribery and theft of government funds charges to which Arrigo pleaded guilty carry maximum potential penalties of 10 years in prison and maximum fines of \$250,000. The charge of filing a false tax return, to which Arrigo pleaded guilty, carries a maximum potential penalty of three years in prison and a fine of \$250,000. Sentencing is currently scheduled for Feb. 3, 2014.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Aaron T. Ford in Newark; 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 Christina Scaringi; and special agents of IRS - Criminal Investigation, under the direction of Special Agent in Charge Shantelle P. Kitchen in Newark, with the continuing investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorney Jacques S. Pierre of the U.S. Attorney's Special Prosecutions Division and Assistant U.S. Attorney Steven G. Sanders of the office's Appeals Division.

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Defense counsel: Charles J. Uliano Esq., West Long Branch, N.J.