

NEWS

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FOR IMMEDIATE RELEASE
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Passaic City Councilman Charged with Perjury, Obstruction

(More)

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NEWARK – City of Passaic Councilman Gerardo Fernandez was arrested today on an Indictment charging him with perjury and obstruction of justice in connection with false testimony allegedly given during a grand jury investigation involving Passaic corruption, U.S. Attorney Christopher J. Christie announced..

According to the two-count Indictment, which was unsealed with Fernandez’s arrest at his home this morning, Fernandez made false statements before a federal grand jury in Trenton in or about November 2007. At the time of those statements, the grand jury was investigating allegations of bribery, mail fraud and extortion under color of official right in a wide-ranging public corruption investigation in New Jersey.

Fernandez, 51, is scheduled to make an initial appearance in federal court in Newark at 2:30 p.m. before U.S. Magistrate Judge Mark Falk.

Fernandez’ arrest is the latest arising from “Operation Broken Boards,” an FBI public corruption undercover investigation that progressed from southern to northern New Jersey. On Sept. 6, 2007, eleven public officials and one private citizen were arrested in connection with the investigation. To date, 10 of those individuals have been convicted and two are awaiting trial. Among those public officials were former City of Passaic Councilmen Jonathan Soto and Marcellus Jackson, and former City of Passaic Mayor Samuel “Sammy” Rivera.

Soto is currently facing charges in a 15-count Indictment. Jackson pleaded guilty to attempted extortion on December 18, 2007, admitting that he accepted four corrupt cash payments between January 2007 and August 2007, ranging from \$2,500 to \$6,000, in exchange for his official assistance in attempting to obtain City of Passaic insurance brokerage contracts for an FBI undercover insurance company. Rivera was sentenced to 21 months in federal prison on Aug. 15, 2008 for engaging in an extortion scheme in which he accepted a bribe in return for his official assistance in attempting to steer public contracts to the same FBI undercover company.

The Fernandez Indictment alleges that on March 22, 2007 – hours prior to voting on two Passaic City Council resolutions which were to name an insurance brokerage firm as the authorized broker with respect to certain City of Passaic contracts – Fernandez spoke with Soto over the phone and agreed to vote against the proposed insurance brokerage firm at the Council meeting later that evening. During the phone conversation, Fernandez also stated he would contact Rivera, the mayor, about the insurance resolutions.

In November 2007, when testifying before a federal grand jury in Trenton that was investigating such resolutions, Fernandez denied any contact or agreement with Soto or Rivera with respect to the vote concerning the insurance resolutions.

The obstruction of justice charge carries a maximum statutory penalty of 20 years in federal prison. The perjury count carries a statutory maximum of five years in prison.

Despite indictment, all defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysun Dun, with the investigation leading to the Indictment.

The case against Fernandez is being prosecuted by Assistant U.S. Attorneys Dustin Chao and David Bocian of the Special Prosecutions Division.

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