

NEWS

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Former Executive Director of Western Monmouth Utilities
Authority Arrested This Morning on Corruption Indictment

(More)

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NEWARK – The former executive director of the Western Monmouth Utilities Authority was arrested today on an Indictment charging him with taking thousands of dollars worth of free or discounted home improvements and services from contractors and developers in exchange for exercising his authority in favor of those individuals, U.S. Attorney Christopher J. Christie announced.

Frank G. Abate, 60, of Marlboro, was arrested by Special Agents of the FBI at his home early this morning. He is scheduled to make an initial court appearance today at 2:30 p.m. before U.S. Magistrate Judge Ronald J. Hedges.

Abate is charged with nine counts of defrauding the public of his honest services, each of which carries a maximum statutory penalty of five years in prison and a \$250,000 fine; two counts of extortion under color of official right, each of which carries a maximum penalty of 20 years in prison and a \$250,000 fine; and two counts of attempted obstruction of the grand jury investigating him, each of which carries a maximum penalty of 20 years in prison and \$250,000 fine.

According to the Indictment, Abate received significant benefits, including free or discounted home improvements and repairs, property surveys and legal work from contractors and developers seeking work with the WMUA. The Indictment refers to, but does not cite by name, six contractors and two commercial and residential real estate developers who sought sewer approvals from the WMUA.

In all instances, the contractors or developers received approvals or contracts from the WMUA. Abate, as WMUA executive director, had wide authority to unilaterally award contracts or could recommend to the WMUA commissioners approval of contracts.

“The conduct alleged illustrates a brazen and continuous pattern of corruption by Abate,” said Christie. “Again and again, Abate used his position and authority to serve himself and reward favored contractors.”

Abate was appointed executive director of the WMUA in January 2002 and served in that role until Sept. 21, 2006, when he was fired.

Among the corrupt arrangements alleged in the Indictment:

- An electrical contractor, who received several contracts from the WMUA worth more than \$700,000 between 2002 and 2005, performed approximately \$7,184 in free electrical work for an addition at Abate’s home. Abate supplied the architect’s blueprint to the contractor and solicited the contractor to do the work.
- A heating, ventilation and air-conditioning contractor installed a new water heater and a

new furnace in Abate's home for which Abate paid nothing. The contractor also installed a \$5,000 heating and cooling system in the Brick Township home of a close relative of Abate at a \$1,100 discount. This contractor received contracts with the WMUA totaling approximately \$125,000.

- A tree services company seeking (and subsequently receiving) WMUA contracts removed approximately 10 trees at Abate's home – a value of approximately \$2,500 – for which Abate paid \$900. Abate also allowed the contractor to dump approximately 20 loads of wood chips on WMUA property.
- A consulting engineer awarded contracts worth approximately \$1.2 million – at Abate's request – prepared a revised property survey for Abate's home valued at approximately \$600 and a landscaping sketch worth \$500, both free of charge.
- Two developers collaborating on a 180-unit housing project, in which they were awaiting final approval of a sewer extension application from the WMUA, paid \$2,500 for an architect to prepare plans for an addition to Abate's home in 2002, for which Abate paid nothing. The developers paid an additional \$1,800 to the architect in 2005 for plans for a second addition to Abate's home. Abate paid only \$500 for the architect's total bill of \$2,300 in that instance.

The Indictment also describes acts by Abate to allegedly conceal and obstruct the grand jury investigation.

On Jan. 30, 2006, a subpoena was served on the electrical contractor – identified in the Indictment as Contractor No. 3 – seeking all records related to work performed on Abate's home. Special Agents of the FBI also interviewed representatives of the contractor on Feb. 28, 2006, to inquire why Abate was never billed for the electrical work valued at \$7,184.

On the same day, Feb. 28, 2006, Abate mailed a letter to the contractor saying that he had “recently reviewed my records and recognized that I never received an invoice for work performed at my home. Please send a bill immediately so payment can be forthcoming.”

A few days later, Abate sent a second letter with the same request. On March 8, Abate paid the contractor the full amount of \$7,184.68 by check.

Similarly, the architect discussed above received a grand jury subpoena on Feb. 14, 2006, seeking his testimony. Three days later, the architect discussed the subpoena with the two developers discussed above.

On March 6, Abate sent a letter to the architect with a check for \$250. The note said, “...

for your services Thanks! Frank.” The architect subsequently telephoned Abate to say the check was redundant since he had already been paid by the developers. In a recorded conversation, Abate said he was aware of the payment from the developers. The following exchange occurred, according to the Indictment:

Abate: “Well, here’s my dilemma, um, I don’t know if you know, but everybody’s being looked at.”

Architect: “Yeah, I already received a subpoena to send in my documents, ya know. Ya know, they wanted copies of the drawings.”

Abate: “So, that’s why I sent you that money.”

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Leslie G. Wiser, Jr., and Special Agents of the Internal Revenue Service, under the direction of Special Agent in Charge Patricia J. Haynes, with the investigation leading to today’s Indictment.

The case is being prosecuted by Assistant U.S. Attorney Richard E. Constable, III of the U.S. Attorney’s Office Special Prosecutions Division.

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Defense Counsel:
Robert Goodman, Esq. Roseland