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Little town a big target in hunt for corruption

Investigators eye Harrison

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Just when every new tale of corruption, ethical lapses or curious decisions by public officials in New Jersey was starting to have that tired, been-there, done-that feeling, along comes Harrison.

A fading factory town where the former public works director, saddled with six-figure gambling debts, stole at least \$100,000 from the local parking meters.

Where the man who succeeded him was once identified by state prosecutors as an associate of the Genovese crime family.

Where roughly 50 officials in a square mile, blue-collar town pull down more than \$100,000 a year, three dozen collect two public paychecks and another pockets \$210,000 in pension and consulting fees from one of the state's poorest school districts.

And where federal and state investigators have recently trained their sights.

For close to a year, federal authorities have been questioning employees and examining the web of public jobs, contracts and relationships in Harrison, according to one law enforcement source, two witnesses who have been interviewed and defense attorneys, all of whom said they could not be identified discussing an ongoing investigation.

The scope of the case is unclear, but it has involved investigators from the New Jersey State Police and public corruption and organized crime units of the U.S. Attorney's Office and FBI, the same sources say. Spokesmen for the offices said they could neither confirm nor deny any probe.

Town officials said they were surprised by the news.

"I have no knowledge of any investigation," said Harrison's town clerk and attorney, Paul Zarbetski.

The inquiries come at a critical time for Harrison, or perhaps because of it.

The tiny Hudson County town has embarked on one of New Jersey's most ambitious redevelopment efforts, with plans for thousands of new housing units, retail stores and a 25,000-seat professional soccer stadium, all a quick ride from New York City. The dream: to turn Harrison, population 14,000 and shrinking, into the next Hoboken.

Since the plans took root, millions of investment dollars have poured into Harrison, and with them the law enforcement interest that often accompanies Jersey redevelopment. Critics in Harrison say the scrutiny is long overdue.

"No one is truly independent in their decision-making," said John Pinho, an attorney who served three years on Harrison's redevelopment authority. "It breeds a culture of patronage that is not good for open

government. It exists everywhere, but it's magnified in Harrison."

Across the Passaic River from Newark, Harrison once thrived as a smokestack town, buzzing with plants for Guyon Pipe, Otis Elevator, RCA and others. Laborers lived where they worked, filling the tidy brick homes that line block after block.

Its most prominent native was also its most powerful: Frank E. Rodgers, mayor for a record-setting 48 years in solidly Democratic Hudson County.

But in the years before Rodgers' 1994 retirement, Harrison began to swoon. Factories emptied, taking with them jobs and as much as \$60 million in annual taxes. Redevelopment, town officials decided, was the answer.

"This is our last shot," attorney Gregory Castano, representing Harrison, told state officials in 1999. "The town has some serious, serious problems."

THE WAY WE WERE

Now the east end of Frank E. Rodgers Boulevard, the town's main artery, looks like a heavy construction dealership -- with dozers, loaders and cranes churning blocks of land for the stadium, housing and entertainment hub called MetroCentre. In 2006, the town approved more building permits -- 200 -- than in the previous seven years combined.

But the plans also have awakened critics, eager to shine a spotlight on what they say are nepotism, patronage and old-time politics rife in the town.

They gained more fodder this summer when William Tanski, the town's former superintendent of public works, pleaded guilty to pilfering \$100,000 from Harrison's traffic meters. Hudson County prosecutors said Tanski had a gambling problem.

In a petition filed in U.S. bankruptcy court, Tanski had reported \$360,000 in debts to four Atlantic City casinos, plus tens of thousands more in credit-card bills.

How Tanski's case began is unclear, as is how he carted off hundreds of thousands of coins without being noticed. He wasn't charged until 2006, two years after Tanski, a friend and campaign supporter to Mayor Raymond McDonough, had stopped working in Harrison.

"My opinion is that he couldn't have been doing this just by himself," said councilman Steve McCormick, who has repeatedly clashed with the McDonough-led council since being elected last year on a platform challenging the local machine. But McCormick says he can't prove any complicity and that he has no personal knowledge of any investigation.

Tanski was due to be sentenced Friday, but the hearing was postponed -- for a third time. He did not return calls and his attorney, Vito Sciancalepore, declined to comment.

Tanski's successor in the \$95,000-a-year public works job, Ronald Catrambone, hails from a renowned family in Harrison. His aunt, Josephine Catrambone, worked at town hall for 55 years, rising to town clerk under Rodgers. The family also ran a local restaurant.

Three times in the 1990s, Ronald Catrambone was charged with promoting gambling. In a 1991 indictment, state prosecutors identified him as "Fat Ronnie," an associate in the Genovese crime family. He later accepted a plea bargain that included no jail time.

Like Tanski, Catrambone has been an active supporter of the mayor. Last year, McDonough's campaign gave Catrambone more than \$6,600, according to reports filed with the state election commission. One payment was for mailing costs, the other -- \$3,874 -- for an expense described only as "reimbursement."

In a brief phone interview Friday, Catrambone said he was unaware of any investigation in town. Asked about his past arrest record, he cut the conversation short and hung up.

Another council member, Caroline Mandaglio, said Friday that Catrambone's past never came up when the board elevated him to the department's top post. "We thought he was good for the job," she said.

McDonough did not return messages left Friday at his home and at town hall.

DIPPING FOR DOLLARS

In November, the mayor easily won another four-year term, a part-time job that pays \$2,500. A plumber by trade, McDonough also earns another \$95,000 working at the Passaic Valley Sewerage Commission, a sprawling agency infamous for its patronage hires.

Two other councilmen, Larry Bennett and Victor Villalta, also work at the commission, as do Villalta's son; Mandaglio's husband; planning board member Robert VanRiper; former councilman Arthur Pettigrew; and a brother of councilman Jim Doran, among others with ties to Harrison.

Like McDonough, many have more than one public job. The practice, dubbed "double-dipping," has come under fire from critics who say it enables officials to pad their state pensions and perpetuates New Jersey's insular, patronage style of government.

Many of the double-dippers are among more than 50 employees or officials in Harrison town hall, housing authority or schools who make at least \$100,000 a year, from Rodgers' grand nephew to McDonough's wife.

State officials are now examining the circumstances behind one of the most fortunate, former councilman Pete Higgins III.

Higgins worked for the Harrison schools, an impoverished district with 1,800 students and four schools, for a quarter-century. In 2003, on the same day Higgins retired, the district appointed him to a new, \$170,000-a-year position to coordinate four construction projects.

"We needed someone to look out for the best interests of the district," Schools Superintendent Anthony Comprelli said.

By law, Higgins couldn't take a second schools job while receiving pension benefits, so Harrison's school board classified his new job as non-educational. That qualified him for pension credits in the separate Public Employees Retirement System, where Higgins already had earned himself a modest pension based on his council tenure. The new job sent Higgins PERS pension swelling from less than \$1,000 to more than \$96,000 a year.

When he retired again last year, with only one of the four construction projects finished, Higgins began drawing two pensions worth \$182,000. Then the school board hired him again, this time as a consultant at \$28,000 a year.

"I don't think the average taxpayer would think that was fair, but I didn't create the situation," Higgins, 60, said in an interview. "I didn't create these rules."

Both the New Jersey Department of Education and Treasury Department are reviewing the contracts and pension payments, spokesmen said. "There is an investigation taking place in Harrison and it is related to Higgins," Education spokesman Rich Vespucci said, declining to elaborate.

Higgins still has other duties to keep him busy. He's chairman of McDonough's 2010 re-election campaign. And he serves as chairman of Harrison's Redevelopment Authority, which also includes Comprelli, McDonough and Powell, and has McDonough's brother-in-law Gregory Kowalski, as its paid executive director.

Higgins said the redevelopment board has been an unquestioned success.

"There have been no investigations of the agency. Everything has been very much above board," he said. "I really believe that we are a model for urban redevelopment."

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