



City of Orange Township

29 North Day Street
Orange, New Jersey 07050

News Release

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Orange Probe of Garbage Contractor Reveals Evidence of Fraud Possibly Costing Hundreds of Thousands of Dollars plus Serious Contract and Safety Violations

News Conference:

Thursday, December 18th 2pm, at City Hall. 29 N. Day Street Orange, New Jersey 07050

Orange Mayor Eldridge Hawkins, Jr. today revealed the results of the first phase of a comprehensive investigation into the conduct of the city's garbage contractor, East Coast Sanitation. The private carter holds a five year contract with Orange to pick up residential garbage at a cost of \$3,579,550. The contract was entered into under the administration of former Mayor Mims Hackett. In addition, the contractor receives from the city a tipping fee of \$84 per ton, or approximately \$1400 for a full truck load.

The investigation, conducted by the Orange Police Department and the Department of Public Works, found evidence that East Coast Sanitation is charging Orange tipping fees for garbage and trash that does not originate from within the city. On one occasion a truck was tracked from its point of entry into the city, stopped and inspected before it made any pick ups. The truck was found to be three quarters full. The contract requires that trucks be empty when they enter the city and provides a mandatory \$1,000 fine for violations.

On another occasion, a truck was followed after it left Orange and was observed picking up refuse in Newark. An East Coast Sanitation truck was also observed picking up refuse from a dumpster at a commercial property, a serious contract violation. On at least one occasion, the police were able to identify the passing of a gratuity to an employee of the contractor by a merchant.

The surveillance was fully documented by video and still cameras.

The investigation also uncovered numerous quality of life violations including pick ups earlier than 6am on Main Street and 7am in residential areas and the leaving of debris on sidewalks and roadways. It also revealed numerous traffic violations endangering pedestrians and drivers including running red lights and stop signs, traveling the wrong way on streets, and operating in the wrong traffic lane.

The investigation was initiated by Mayor Hawkins after he had received complaints from citizens and members of the City Council regarding quality of life problems caused by the garbage contractor. The surveillance took place between November 11th and December 17th.

The second phase of the investigation will seek to determine how much money Orange may have been overcharged by the contractor. For example, every time a truck enters Orange with three quarters of a load from elsewhere, Orange taxpayers are overcharged \$1040 in tipping fees. On an annual basis that would result in an overcharge of more than \$300,000.

Statement by Mayor Eldridge Hawkins, Jr.

“In the midst of the weakest economy since the great depression, Orange faces the worst financial crisis in its history. Taxpayers are struggling to pay property taxes that have reached an exorbitant level. As part of my work to reduce the cost of government, we are scrutinizing the activities of all of our city departments and contractors.

The information obtained in this investigation indicates that East Coast Sanitation may have significantly overcharged Orange taxpayers. It also validates complaints by citizens that garbage is being collected during hours when people are trying to sleep, refuse is being left on our sidewalks and streets, and garbage trucks are being driven dangerously.

It is possible that we have uncovered only the tip of the iceberg of misconduct. A follow up investigation under the direction of Municipal Attorney Marvin Breaker and Acting Public Works Director Arlene Kemp will reveal the full extent of our losses. As we conduct the second phase of the investigation any evidence of criminal conduct will be turned over to the appropriate prosecutors and we will sue to recover any and all overcharges.

Director Kemp has put tight controls in place to ensure that no further misconduct occurs by East Coast Sanitation while the second phase of the investigation continues.

As Mayor, I want taxpayers, municipal employees and contractors to know that not only do we not tolerate crime on our streets, but we will aggressively seek out and prosecute fraud and corruption in our city services.

We will shortly begin a comprehensive forensic audit that will probe the operation of all of our departments and contractors. Because of the cloud under which the previous administration left office, it is critical that we discover any evidence of waste, mismanagement, overcharging and corruption and seek compensation for taxpayers for any money that was wrongly spent.”

More Details Available at New Conference

Providing Information: Mayor Eldridge Hawkins, Jr., Police Director John Rappaport, Acting Public Works Director Arlene Kemp, Municipal Attorney Marvin Breaker, and Business Administrator Jewel Thompson-Chin

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