

***New Jersey***  
***State Commission of Investigation***



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**Immediate Release**

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**SCI FINDS LOCAL GOVERNMENT  
ETHICS AND INTEGRITY CONCERNS  
IN EDGEWATER BOROUGH**

TRENTON – The State Commission of Investigation (SCI) released a report today finding local elected and appointed officials in Edgewater Borough took repeated government actions beneficial to a prominent developer who had undisclosed financial arrangements with some of them.

The SCI's inquiry found the private financial ties between the public officials in the Bergen County municipality and local developer Fred Daibes, who transformed much of the Hudson County waterfront town over the last two decades, included lucrative business contracts and discounted rent at a luxury apartment. Yet citizens

never knew about these financial links because New Jersey’s antiquated Local Government Ethics Law, the primary mechanism overseeing ethical conduct for county and municipal public office holders and employees, enabled them to remain shielded from full public disclosure and accountability.

“Lacking any legal requirement to disclose finances related to client payments means this information can be kept private, even in cases where such fiscal arrangements could present a potential conflict of interest for a public official,” the report states. No explicit mechanism exists in the law for disclosing a favorable rent arrangement either.

Among the beneficial actions uncovered by the SCI were authorizations by the local governing body permitting the developer to receive direct payments from other builders to construct affordable housing units in local projects where he had already received a \$2.3 million government tax break to construct.

In addition to recommending the strengthening of the Local Government Ethics Law, which has not been substantially updated since its enactment 30 years ago, the SCI also called for the creation of a conflicts of interest law specifically for local government and a task force to study whether New Jersey should re-establish state oversight for affordable housing-related issues.



*The State Commission of Investigation is an independent New Jersey watchdog agency established in 1968 to investigate organized crime and corruption, waste of tax money and other abuses of the public trust. Copies of public reports are available at the Commission’s offices or via its Web site at [www.state.nj.us/sci](http://www.state.nj.us/sci).*