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Trash Transfer To New Jersey Is Postponed

Attorney General Report Sees an Ethics Problem

By ERIC LIPTON

New York City's plan to move most of its residential trash out of the region by rail has been delayed, after New Jersey investigators questioned whether Mayor John T. Gregorio of Linden improperly brokered a deal to build a station in Linden where New York's trash would be moved from barges to rail cars.

Since this past spring, when New York City stopped sending its residential trash to the Fresh Kills landfill in Staten Island, almost all of the city's residential garbage has been moved out of state by trucks. To reduce truck traffic, the city within the next several years had hoped to have a contractor build a large trash transfer station in Linden, where more than half of the city's daily load of trash would be taken by barge and then moved to distant landfills on rail cars.

But an investigation by the office of the New Jersey attorney general, John J. Farmer Jr., released yesterday, concluded that Mr. Gregorio had helped secure a lucrative contract for his son-in-law, Domenick Pucillo, who is a part owner of the proposed Linden trash transfer station site.

Mr. Pucillo and his partners are set to make $8 for every ton of city trash that passes through the site, or about $1.2 million a month. But they will pay Linden only $1 a ton as a host fee, an amount that the state says Mr. Gregorio negotiated, apparently in an effort to ensure his son-in-law would make the most profit possible.

"The mayor participated in matters where his son-in-law had a financial interest," the report says.

Mr. Gregorio said he was confident he would be cleared.

"I had nothing to do with the negotiations," Mr. Gregorio said. "And delaying this project is completely uncalled for."

As a result of this investigation, the State Department of Environmental Protection has refused to approve the project, sending it back to the Union County Board of Freeholders.

In addition, the attorney general has asked for a formal state ethics inquiry, saying in a letter to the State Department of Community Affairs, which investigates ethics claims, that "the report raises serious questions regarding the involvement of Linden Mayor John Gregorio in the project."

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