



# Department of Justice

United States Attorney  
Southern District of New York

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## **FORMER MOUNT VERNON COMMISSIONER AND HER ASSOCIATE FOUND GUILTY ON FEDERAL CORRUPTION CHARGES**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that CONSTANCE G. POST, former Commissioner of the Mount Vernon Department of Planning and Community Development as well as Executive Director of the Mount Vernon Department of Planning and Urban Renewal Agency, and WAYNE CHARLES were found guilty today following a month-long jury trial in White Plains federal court on charges stemming from their diversion of more than \$2 million in state and federal funds.

As established by the evidence at trial:

POST and CHARLES, who had a romantic relationship, arranged to steer a computer services contract to a company secretly owned by CHARLES. Using the name of a defunct computer services company that a friend had operated, CHARLES concealed from the City of Mount Vernon that he had no computer expertise, no employees, and no ability to perform under the contract. POST hired and directed people to work for CHARLES' company, which enriched CHARLES but ultimately cost the City more than twice what it would have paid if the employees had worked directly for the City. POST also disregarded the monetary restrictions placed upon her by the Mount Vernon board that approved the computer services contract and steered hundreds of thousands of dollars beyond her authorization to CHARLES.

Separately, in connection with a \$500,000 loan awarded by the City to CHARLES to renovate property on Third Street, CHARLES, with the approval of POST, falsely stated that he had not used any other names, and falsely certified that he had no other business with the Mount Vernon Urban Renewal Agency. In fact, CHARLES used numerous false names with the approval and assistance of POST in order to conceal his involvement in various matters in the City. Then, after renovations were complete at the Third Street property, another lender, in accordance with the terms of the City's loan, repaid \$250,000 of the loan, leaving an unpaid balance of \$250,000. POST buried the unpaid balance on Mount Vernon's books via a series of complicated financial transactions, ensuring that CHARLES was not required to repay the loan to Mount Vernon. Years later, in 2005, when federal investigators were examining the Mount Vernon Urban Renewal Agency's financial records, POST retroactively recorded the unpaid balance of the CHARLES loan on the books of the Urban Renewal Agency. Shortly thereafter, CHARLES made a few payments on the loan, which otherwise remains unpaid. POST also received \$30,000 from CHARLES and did not file the financial disclosure forms required by local law for her position.

POST and CHARLES were each convicted of one count of conspiracy to commit mail fraud and one count of mail fraud. CHARLES was also convicted of making false statements to federal agents who interviewed him in 2006.

Sentencing is scheduled for July 23, 2009, before United States District Judge KENNETH M. KARAS. POST, of Mount Vernon, New York, and CHARLES, of New York City, face up to 20 years in prison on the conspiracy charge and up to 20 years in prison on the mail fraud charge of the indictment. CHARLES also faces up to five years in prison on the false statement charge.

Mr. DASSIN praised the joint efforts of the Federal Bureau of Investigation and the United States Department of Housing and Urban Development, Inspector General.

Assistant United States Attorneys CYNTHIA K. DUNNE and ANDREW S. DEMBER are in charge of the prosecution.

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