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FORMER CHIEF OF STAFF TO EX-NEW YORK STATE SENATOR SENTENCED IN WHITE PLAINS FEDERAL COURT TO FOUR MONTHS IN PRISON AND FOUR MONTHS HOME CONFINEMENT FOR OBSTRUCTION OF JUSTICE

Preet Bharara, the United States Attorney for the Southern District of New York, announced that RAYMOND MAGUIRE, the former Chief of Staff to ex-New York State Senator Vincent L. Leibell, III, was sentenced today by U.S. District Judge Cathy Seibel in White Plains federal court to four months in prison and four months of home confinement for obstruction of justice. MAGUIRE pled guilty on September 15, 2011, to a one-count Information charging him with obstructing a federal grand jury investigating whether Senator Leibell had a corrupt relationship with a contractor who was building him a new home. Senator Leibell also pled guilty in December 2010 to obstructing the investigation and was sentenced to 21 months in prison.

U.S. Attorney Preet Bharara stated: "Raymond Maguire was a corrupt staffer for a corrupt politician. Elected officials and other public employees who exploit their positions for personal gain violate the public trust and will be held to account for their crimes."

According to the Information and statements made during court proceedings:

MAGUIRE began working for Senator Leibell in 2003 and served as his Chief of Staff from 2005 until December 2010, when Senator Leibell resigned.

While in office, Senator Leibell sponsored the award of millions of dollars in New York State member item grants to a not-for-profit organization ("the NFP") that funded and developed senior housing in Putnam County. The NFP was controlled, in part, by Senator Leibell and administered, in part, by MAGUIRE. The NFP had several contractors that it used frequently on its projects, including one in particular (the "Favored Contractor").

From 2004 to 2009, Senator Leibell was having a 6,000 square foot, \$1.7 million house in Putnam County built. In addition to his duties as Chief of Staff, MAGUIRE acted as Senator Leibell's general contractor on the project. As general contractor, MAGUIRE oversaw the hiring of a number of the contractors that had been awarded contracts by the NFP, including the Favored Contractor, to design and construct Senator Leibell's new home. The Favored Contractor provided deeply discounted construction services to Senator Leibell. During the

period of construction, the Favored Contractor received millions of dollars worth of contracts from the NFP.

In April 2010, as a federal grand jury was sitting in White Plains, the FBI, and the IRS were investigating allegations that Senator Leibell had demanded or received well below market value deals from contractors who had constructed his home and who had received lucrative construction contracts from the NFP. The investigation focused on, among other things, the nature and value of the services provided by the Favored Contractor. Between 2008 and 2009, the Favored Contractor provided construction services to Senator Leibell valued at approximately \$50,000, and prior to April 2010, Senator Leibell had paid the Favored Contractor only \$5,000 for these services.

After becoming aware of the pending federal investigation, MAGUIRE approached the Favored Contractor and directed him to “clean up the paper” in connection with the work he had done on Senator Leibell’s house. MAGUIRE instructed the Favored Contractor to create phony, backdated invoices to make it appear as though Senator Leibell had paid for the full value of the services rendered by the Favored Contractor, when in fact, he had received well below market rates. MAGUIRE further instructed the Favored Contractor to falsely tell the Government that the reason there was a delay in Senator Leibell’s payment to the Favored Contractor was that they had entered into a payment plan. MAGUIRE also instructed the Favored Contractor to take the scheme to obstruct the pending grand jury investigation “to the grave.”

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MAGUIRE, 47, lives in Patterson in Putnam County, New York. In addition to his prison term, MAGUIRE was sentenced to one year of supervised release, with a special condition of four months of home confinement.

Mr. Bharara praised the work of the FBI and the IRS Criminal Investigation Division in the investigation.

This case is being handled by the Office’s White Plains Division. Assistant U.S. Attorneys Jason P.W. Halperin and Perry A. Carbone are in charge of the prosecution.