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**NEW YORK STATE ASSEMBLYMAN ARRESTED FOR
HONEST SERVICES MAIL FRAUD**

*30-Year Queens Assemblyman Used Consulting Company To Conceal
More Than \$500,000 In Corrupt Payments From Persons And
Entities Having Business Before New York State*

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and MARK J. MERSHON, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced today the arrest of New York State Assemblyman ANTHONY SEMINERIO for allegedly using a purported consulting company to conceal more than \$500,000 in corrupt payments from various entities with business before the State of New York. SEMINERIO is charged in a criminal Complaint unsealed today in Manhattan federal court with honest services mail fraud. According to the Complaint:

Seminerio's Duty Of Honest Services

Since 1978, ANTHONY SEMINERIO has served as a member of the New York State Assembly (the "Assembly"), representing New York's 38th Assembly district in Queens, New York. As a member of the Assembly, SEMINERIO's official duties include voting upon legislation, acting as a public advocate on behalf of constituents and others, and discussing, persuading, and influencing other legislators with respect to matters before the Assembly. Prior to his election to the Assembly, SEMINERIO worked as a Corrections Officer within the New York City Department of Corrections.

New York State elected officials owe a duty of honest services to the citizens of New York State. New York law makes

it a crime for a member of the Assembly to receive payments of any kind for taking official action. Similarly, New York law imposes a duty on elected officials, including members of the Assembly, to avoid any business or professional engagements that are in substantial conflict with the proper discharge of the member's official duties. Members of the Assembly are required to disclose, on an annual basis, "the nature and amount of any income in excess of \$1,000," including "consultant fees." Notwithstanding the foregoing, however, New York's public disclosure law permits a member of the New York State Legislature (the "Legislature") to report income earned from a business "by the name of the entity and not by the name of the individual customers, clients or tenants . . ."

Overview Of The Scheme To Defraud

From April 2000 through September 2008, SEMINERIO engaged in a scheme to defraud the public of his honest services as a member of the Assembly by using a purported consulting firm, named Marc Consultants, to solicit and receive "consulting" payments from persons and entities having business before the State of New York. SEMINERIO, in fact, did little or no consulting work. Instead, he received more than \$500,000 from various entities with business before the State of New York, primarily in connection with his official position as a member of the Assembly, and for favorable treatment for those persons and entities in the Assembly and with New York State officials. Because New York's Public Officers Law permits a member of the Legislature to disclose income in the name of a business, rather than in the names of the actual clients of that business, SEMINERIO used Marc Consultants to conceal his stream of corrupt payments from public scrutiny.

Seminerio's Corrupt Relationship With The Hospital

Between April 2000 and September 2008, SEMINERIO deposited more than \$500,000 into the bank account for Marc Consultants (the "Marc Consultants Bank Account") from entities with interests in various matters pending before the Assembly. These funds passed directly through the Marc Consultants Bank Account to SEMINERIO. For example, during this period, one of these entities, a hospital in New York City (the "Hospital") whose funding was substantially affected by the budget of the State of New York, paid approximately \$310,000 to SEMINERIO through the Marc Consultants Bank Account. During the same time period, a separate, Medicaid-managed health care plan that was affiliated with the Hospital also paid approximately \$80,000 to SEMINERIO through the Marc Consultants Bank Account.

As part of the investigation, the FBI obtained court authorization to intercept SEMINERIO's communications. These interceptions, which included conversations between SEMINERIO and his purported consulting clients, confirmed that on numerous occasions SEMINERIO took action in his capacity as a member of the Assembly to benefit the Hospital at the same time that he was receiving payments from the Hospital and its affiliate through the Marc Consultants Bank Account. In particular, the intercepted communications demonstrated that, at the direct request of officers of the Hospital, SEMINERIO (1) advocated positions with other New York State legislators with respect to legislative matters, including the New York State budget, and (2) lobbied New York State executive branch officials.

Seminerio's Corrupt Relationship With The Undercover

During the investigation, the FBI introduced an agent acting in an undercover capacity (the "Undercover") to SEMINERIO as a new, potential client of Marc Consultants. The Undercover told SEMINERIO that he wanted to propose and pass legislation that would be favorable to his business interests. The Undercover also told SEMINERIO that he wanted assistance pursuing brownfield redevelopment projects -- projects that involve a New York State program that provides government assistance, primarily in the form of tax credits, to entities that undertake the redevelopment and associated clean-up of environmentally contaminated lands. In exchange for \$25,000 in payments to Marc Consultants, SEMINERIO used his official position to arrange for the Undercover to meet and discuss with Chairs of New York State Assembly and Senate Committees both the proposed legislation and the brownfield redevelopment projects.

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SEMINERIO, 73, of Queens, New York, is charged with one count of honest services mail fraud, which carries a maximum sentence of 20 years in prison.

Mr. GARCIA praised the investigative work of the Federal Bureau of Investigation.

The prosecution is being handled by the Office's Public Corruption Unit. Assistant United States Attorneys DANIEL L. STEIN and WILLIAM J. HARRINGTON are in charge of the prosecution.

The charge and allegations contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.