

U.S. v. Eric Stevenson, et al.

**Prepared Remarks of U.S. Attorney Preet Bharara
April 4, 2013**

Good afternoon. My name is Preet Bharara, and I am the United States Attorney for the Southern District of New York.

So here we go again. This is getting to be something of a habit.

For the second time in three days, we unseal criminal charges against a sitting member of our state legislature. And based on what is alleged in this latest complaint, it becomes more and more difficult to avoid the sad conclusion that political corruption in New York is indeed rampant and that a show-me-the-money culture in Albany is alive and well.

Today we announce federal corruption charges against one Assemblyman and the resignation of another, who himself was previously caught breaking the law, wisely decided to cooperate with the government, and whose efforts – including wearing a wire – helped lead to today’s charges.

Specifically, today’s 36-page criminal complaint alleges that New York State Assemblyman, Eric Stevenson, accepted over \$22,000 in bribes from four businessmen in exchange for helping them open and operate adult day care centers in the Bronx. Not only that – the businessmen gratefully named their center after Assemblyman Stevenson’s grandfather.

Stevenson allegedly not only helped the businessmen obtain necessary permits and recruit clientele, but also – in exchange for cash bribes – introduced actual legislation barring the opening of competing adult day care centers in the City. In other words, Stevenson tried to enact a statutory moratorium to give his co-defendants a local monopoly.

Among other things, it is a fairly neat trick to hatch a scheme that offends core principles of both democracy and capitalism, simultaneously. But, as alleged, the defendants charged in this case managed to do just that.

Before I get to the details, let me acknowledge and thank the folks who got us to this point.

I am joined here today by our partner in this extraordinary corruption case, the Bronx District Attorney’s Office, represented by District Attorney Robert Johnson.

I want to congratulate the dedicated members of the Bronx DA’s Office who worked so hard on this case: Executive Assistant District Attorney Thomas Leahy; Chief of the Rackets Bureau

Stuart Levy; ADA Elizabeth Brandler (who is also a SAUSA for this case); Detective Investigator Vincent Cantarella; and Lt. Rocco Galasso.

I also want to express my appreciation to the fine career prosecutors who have worked so hard on this matter and have conducted a meticulous and exhaustive investigation: Assistant United States Attorneys Paul Krieger and Brian Jacobs, as well as Brendan McGuire, the chief of our Public Corruption Unit.

In addition, I want to thank the investigators from our Office who worked tirelessly over the past year on this case: Bob Ryan and John Barry.

I should say at the outset that today's charges are the product of a remarkable and innovative investigation. Some time back, District Attorney Rob Johnson called me personally and asked my office to join his in an investigation in which a member of the New York State Assembly was ready to act as a cooperating witness.

That individual is identified as Assemblyman-1 in today's complaint. He has been charged with felonies in Bronx County Criminal Court, and has entered a non-prosecution agreement with the Bronx DA's Office and with our Office. Pursuant to that agreement, he has agreed to resign his elective office and to continue his cooperation.

Assemblyman 1's cooperation helped develop the necessary evidence to obtain the cooperation of a second individual, who is identified in the Complaint as the "CW."

Now let me spend a few minutes describing the allegations in today's five-count Complaint.

As I mentioned, since the beginning of 2012, there were four businessmen who were trying to open and manage adult day care centers in the Bronx. An "adult day care center" is a non-residential facility providing meals, social activities, and general supervision for the elderly and people with disabilities or other medical needs.

As alleged, the four businessmen wanted something that Assemblyman Stevenson could provide – they wanted help with the Department of Buildings and with utilities to get their centers opened more quickly. But ultimately they also wanted protection against competition, and they wanted legislation that would effectively grant them monopoly status.

And, as alleged, Assemblyman Stevenson was only too happy to oblige – for the right price:

- When they needed help getting a certificate of occupancy, Stevenson essentially said, "Show me the money."

- When they needed help getting a gas line for their center, Stevenson essentially said, “Show me the money.”
- And when they needed a bill to protect against competition, Stevenson essentially said, “Show me the money.”

And money was shown, time after time after time.

- In July 2012, Stevenson received a \$2,000 campaign contribution check signed by Rostislav Belyansky, a/k/a Slava.
- In September 2012, Stevenson received an envelope containing \$10,000 cash from Igor Belyansky and Rostislav Belyansky, a/k/a “Slava,” after a meal at a steakhouse in the Bronx.

At that meal, Stevenson agreed to contact Con Edison to expedite the installation of a gas line at an adult day care center; to recruit senior citizens for the centers; and to contact the NYC Department of Buildings to get a Certificate of Occupancy for one of the centers. After the meal, Stevenson gave a \$1,500 cut of the money to the CW.

- In January 2013, Belyansky, Slava, Tsimerman, and Binman all contributed a total of \$5,000, which they gave to the CW in an envelope, and which the CW delivered to Stevenson after taking a \$500 cut. In mid-February, all five defendants met in Albany for a weekend conference. During that weekend, Slava gave the CW the second \$5,000 payment for Stevenson, which the CW delivered to Stevenson after taking a \$500 cut.

Let me say a bit more about the moratorium bill that the four business defendants allegedly paid for – because those allegations, if proven, represent an especially breathtaking bit of corruption, even by Albany standards.

Those allegations represent the corrupt sale of an elected representative’s core duty – a legislator selling legislation.

As the recordings show, Stevenson was brazen and blunt in putting his core function up for sale:

- In one recorded meeting in December, Stevenson tells the CW: “I just need you to tell me what they want; we prepare the bill. . . You can write down the language, basically what you want.”
- He also says, making the quid pro quo clear: “Are Igor and them putting together a nice little package for me, huh?”
- There are discussions about how long the moratorium should be, what the draft should say, and other details.

As alleged, the defendants did not want to be limited by the moratorium legislation that they were bribing Stevenson to introduce; they made sure there was a carveout from the moratorium for THEMSELVES in case they wanted to open more centers – they made sure that “adult day care centers that are open and operating on or before the effective date” were allowed to expand.

Once again, we have members of the legislature allegedly acting as mercenaries. Once again, we are forced to consider how pervasive corruption is in New York government. And once again, we are provided something of an answer from the mouth of a defendant himself.

Listen to Assemblyman Eric Stevenson, in his own words, as recorded in this case:

- “Bottom line. . . if half of the people up here in Albany was ever caught for what they do . . . they . . . would probably be [in jail], so who are they BS-ing?”
- That is Stevenson talking about his own colleagues.

And, by the way, it was not as if Stevenson was UNAWARE of the consequences of his actions.

At times he seemed to have a deep knowledge of the public corruption cases brought by this office:

- “Look what they gave Miguel [Martinez] from Washington Heights . . . five years. . .”
- “Look what they gave Efrain [Gonzalez], seven years. . .”
- He mentions Carl Kruger and several other fallen politicians also.

On one occasion, as described in the complaint, Stevenson says to the CW (para 64):

- “be careful of those things, man, the recorders and all those things, man”
- “a lot of guys. . . working to put a lot of people away, man, believe that.”

I think he may have been referring to some of the fine folks who are standing up here with me today.

Now, the events of this past week, I think, raise important questions – where does all this serious evidence of pervasive public corruption leave us? Where do we go from here? What are we to do?

First, the people of New York should be more than disappointed. They should be angry.

When so many of their leaders can be bought for a few thousand dollars, they should be angry.

When it is more likely for a New York state senator to be arrested by the authorities than to be defeated at the polls, they should be angry.

And they should ask some pointed questions:

- Given the allegations in today's case, how many other pending bills were born of bribery? And worse, how many passed bills were born of bribery? How about items in the budget?
- How much of the work of city and state government is tarnished by tawdry graft?

First, while I continue to believe that public corruption in New York is more than a prosecutor's problem, we prosecutors will keep doing our job.

And that means being as aggressive and proactive on public corruption as we are on gangs and drugs and organized crime and insider trading and everything else – because whenever corruption is on the rise, that means democracy is on the decline.

And that means that law enforcement will use every aggressive and creative tool at our disposal – wiretaps and confidential informants and undercover agents and stings. And, yes, seeking the cooperation of elected officials who can help us investigate and prosecute their own corrupt colleagues.

After today's case, given the active and long-term cooperation of a sitting Assemblyman, if you are a corrupt official in New York, you have to worry that one of your colleagues is working with us and that your misdeeds will be recorded and reported to us and that it will be that much tougher to escape punishment.

Third, what has been perhaps most disheartening is the deafening silence of the many individuals who, over the course of this investigation (and others), saw something and said nothing. They learned of suspicious and potentially criminal activity being conducted in the halls of the Capitol and elsewhere, and they said nothing. No one made a call. No one blew the whistle. No one sounded the alarm.

Rather, too many people looked the other way. What does it say about the culture and accountability in our system of government when officials are aware of criminal conduct around them and they remain silent?

What I hope happens going forward is that if you are an elected official or work for one, and you see corruption or criminality of any stripe, you will call the authorities. Otherwise, we will be back here again and again, announcing arrests, as we did with: Senator Carl Kruger; Senator Hiram Monseratte; Senator Nicholas Spano; Senator Vincent Leibel; Senator Efrain Gonzalez; Assemblyman Brian McLaughlin; Assemblyman Anthony Seminerio; Councilman Larry Seabrook; Councilwoman Sandy Annabi; and others.