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Ramapo Agrees with SEC to Clean up Bond Finances.

The town of Ramapo and its local development corporation have consented to an SEC agreement to clean up how they issue municipal bonds.

Though they did not explicitly admit wrongdoing, by agreeing not to violate U.S. Securities and Exchange Commission laws they tacitly acknowledged they had done so.

The SEC civil case coincides with federal criminal charges filed last year against town officials for concealing financial problems and lying to bond investors.

Christopher St. Lawrence, former town supervisor, was found guilty after a four-week spring trial of conspiracy, securities fraud and wire fraud. Nachman Aaron Troodler, a former town attorney, pleaded guilty to fraud.

They fabricated Ramapo's financial reports to help sell municipal bonds, according to court documents, and to help pay for Provident Bank Park, a minor league baseball stadium.

Taxpayers had rejected a proposal to finance the stadium in 2010, and St. Lawrence pledged that it would be built with private funds. But in 2011 the development corporation issued a \$25 million bond for construction, and the town ended up paying more than half of the \$58 million project.

The stadium is now known as Palisades Credit Union Park and is the home of the Rockland Boulders.

For six years, Ramapo reported general fund balances ranging from \$1.4 million to \$4.1 million. But the fund was actually running deficits of \$249,000 to \$13.9 million.

General fund balances were distorted with phony receivables, concealed liabilities and improper fund transfers.

St. Lawrence, for instance, claimed that Ramapo was going to get \$3.1 million in Federal Emergency Management Agency reimbursements for expenses from Hurricane Irene, even though no claims had been submitted.

The town had guaranteed bond payments, so fake fund balances made the bonds appear less risky. Investors also were told that revenues from the stadium and a housing project would cover the bonds' principal and interest.

The SEC said St. Lawrence lied to investors to conceal the town's deteriorating finances and to disguise the inability of the development corporation to make payments from its own money.

Federal Judge Cathy Seibel issued a judgment on Nov. 17 that requires Ramapo and its development agency to hire a court-approved independent consultant to review financial procedures and controls. The consultant may employ accountants, attorneys, forensic experts or business advisers to assist with the review.

The consultant will recommend improvements and Ramapo must adopt changes.

The town and its agency must also hire an independent auditing firm to examine financial statements for 2017 through 2019.

If they decide to issue new bonds in the next three years, they must hire an independent counsel who will investigate the accuracy and completeness of disclosure documents.

In three years, they must certify that they have complied with all requirements of the judgment.

The criminal sentencing hearing for St. Lawrence of Wesley Hills, began on Monday and will continue tomorrow. Troodler of Bala Cynwyd, Pennsylvania, is scheduled to be sentenced on Dec. 12.

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By Bill Heltzel – November 28, 2017

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