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New York Town Official Convicted in Landmark Bond Fraud Case.

NEW YORK — An elected official of a New York City suburb was convicted on Friday of what authorities have called the first criminal securities charges brought over municipal bonds, a spokesman for federal prosecutors said.

Christopher St. Lawrence, the elected supervisor of Ramapo, New York, was convicted by jurors in federal court in White Plains, New York, of 20 counts including securities fraud, wire fraud and conspiracy. The charges stemmed from actions aimed at securing financing for a stadium in the town.

A lawyer for St. Lawrence could not immediately be reached for comment.

New York federal prosecutors charged St. Lawrence in April 2016 along with Aaron Troodler, former executive director of the town-owned Ramapo Local Development Corp. Prosecutors said the two men defrauded investors who helped finance a controversial minor league baseball stadium.

Troodler pleaded guilty in March under an agreement with prosecutors and testified against St. Lawrence at the trial.

The case followed U.S. regulators' push in recent years to bring civil actions against those accused of misconduct in the \$3.7 trillion U.S. municipal bond market.

Prosecutors said Ramapo and the development corporation sold more than \$150 million of bonds while Troodler and St. Lawrence concealed the town's deteriorating finances.

The town's financial woes were largely due to a \$58 million minor league ballpark project, prosecutors said. The park is home to the Rockland Boulders.

Ramapo residents rejected a plan to guarantee bonds used to finance the park in a 2010 referendum, and St. Lawrence told residents that no public money would be used to pay for the project. But Ramapo ended up paying more than half the cost, according to prosecutors.

St. Lawrence and Troodler falsified the town's finances to help sell the bonds, including by putting millions in fake receivables on its books, prosecutors said.

St. Lawrence is also facing civil claims by the U.S. Securities and Exchange Commission.

In May 2016, after the charges were filed, Moody's Investors Service downgraded the town's outstanding bonds two notches to A3, still in the investment grade category. In February, Moody's withdrew its rating altogether because the town did not file audited financial statements.

The town, which is 28 miles northwest of New York City and had 126,595 residents as of the 2010 census, has said it significantly reduced its debt and cut its exposure to the development corporation

by 62 percent as of Dec. 31.

By REUTERS

MAY 19, 2017, 4:00 P.M. E.D.T.

(Reporting By Brendan Pierson in New York; Editing by Cynthia Osterman)

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