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Ex-New York Town Official Sentenced to Two-And-Half Years for Bond Fraud.

NEW YORK — A former elected official of a New York City suburb was sentenced to 2-1/2 years in prison on Wednesday following his conviction in what U.S. prosecutors have called the first criminal securities fraud case brought over municipal bonds.

Christopher St. Lawrence, who was supervisor of Ramapo, New York, was sentenced by U.S. District Judge Cathy Seibel in White Plains, New York, federal prosecutors announced. St. Lawrence, 67, was found guilty by jurors in May of securities fraud, wire fraud and conspiracy.

Michael Burke, a lawyer for St. Lawrence, could not immediately be reached for comment.

Prosecutors charged St. Lawrence in April 2016 along with Aaron Troodler, former executive director of the town-owned Ramapo Local Development Corp.

Prosecutors said Ramapo and the corporation sold more than \$150 million of bonds while Troodler and St. Lawrence concealed the town's deteriorating finances, putting millions of dollars in fake receivables on its books.

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 had 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 for the project. However, Ramapo ended up paying more than half the cost, according to prosecutors.

Troodler pleaded guilty in March.

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 because the town did not file audited financial statements.

The town, which is 28 miles (45 km) northwest of New York City and had 126,595 residents as of the 2010 U.S. census, has said it significantly reduced its debt, and cut its exposure to the development corporation by 62 percent as of Dec. 31, 2016.

The criminal case followed U.S. regulators' push in recent years to crack down on fraud in the U.S. municipal bond market through civil actions.

The latest such case came earlier this month when the U.S. Securities and Exchange Commission charged Oyster Bay, New York, and former town supervisor John Venditto with defrauding municipal bond investors by concealing side deals with a local restaurateur.

Marc Agnifilo, a lawyer for Venditto, declined to comment on that case. Venditto previously pleaded

not guilty in a related criminal case.

By REUTERS

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(Reporting By Brendan Pierson in New York; Editing by Jonathan Oatis)

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