

Councilman Charged With Money Laundering

By [RAY RIVERA](#) and [WILLIAM K. RASHBAUM](#)
Published: February 9, 2010

City Councilman Larry B. Seabrook, a fixture in Bronx Democratic politics for more than two decades, was charged on Tuesday with money laundering, extortion and fraud in a series of schemes that included helping a close associate win a contract to install boilers in the new [Yankee Stadium](#) and siphoning hundreds of thousands of dollars in city money to himself, friends and family members.

[Enlarge This Image](#)



Ramin Talaie for The New York Times
Larry B. Seabrook is a three-term city councilman.

Most of the charges in the 13-count federal indictment revolve around Mr. Seabrook's use of Council discretionary funds, known as earmarks, to finance a string of nonprofit groups that city and federal authorities say ultimately did little for the communities they were supposed to aid.

Prosecutors say Mr. Seabrook closely controlled the groups' budgets and personnel decisions, helping them to win city contracts and using the money to pay more than \$500,000 in salaries and consulting fees to his female companion, his brother, two sisters and other family

members.

Mr. Seabrook, 58, and others were able to do this, prosecutors contend, in part by repeatedly inflating expense claims to the city on the part of the nonprofit groups, including rent costs. From 2002 to 2009, Mr. Seabrook directed more than \$1 million to the groups while never disclosing his close affiliation with them.

The conduct alleged in the indictment ranges from the ambitious to the nearly silly: from extorting payments from a close associate to help win the boiler contract to altering a \$7 receipt for a bagel sandwich and diet soda so that Mr. Seabrook was reimbursed \$177 for the purchase.

Mr. Seabrook, a former assemblyman and state senator who in November won re-election for his third Council term, pleaded not guilty. He is the second councilman charged in recent months with stealing city money through the discretionary process. In July, former Councilman [Miguel Martinez](#), a Democrat who represented Upper Manhattan, pleaded guilty to three felony counts involving the theft of \$106,000, some of which was intended for nonprofit organizations. He was sentenced in December to five years in prison.

Mr. Seabrook, who over a 26-year political career has survived scares and scrapes with a variety of investigations and audits, could face considerably more time if he is found guilty on all or some of the charges in the indictment, most of which carry a maximum

SIGN IN TO RECOMMEND

TWITTER

SIGN IN TO E-MAIL

PRINT

SINGLE PAGE

REPRINTS

SHARE



Today's Headlines Daily E-Mail



Sign up for a roundup of the day's top stories, sent every morning.

Sign Up

[See Sample](#) | [Privacy Policy](#)

what are you wearing this spring?

stylelist
www.stylelist.com

Jump into Spring Fashion

[Advertise on NYTimes.com](#)

MOST POPULAR

[E-MAILED](#) [BLOGGED](#) [SEARCHED](#) [VIEWED](#)

1. [Hallucinogens Have Doctors Tuning In Again](#)
2. [Maureen Dowd: Worlds Without Women](#)
3. [Steven Strogatz: Change We Can Believe In](#)
4. [Mangia, Mangia!](#)
5. [10 Simple Google Search Tricks](#)
6. [San Francisco Detours Into Reality Tourism](#)
7. [Paul Krugman: Georgia on My Mind](#)
8. [Ross Douthat: The Better Pope](#)
9. [Study Finds a 1.2 Percent Increase in Faculty Pay, the Smallest in 50 Years](#)
10. [Tormented Doctor Turns to Directing](#)

[Go to Complete List »](#)



What you get for ... \$350,000

ALSO IN REAL ESTATE »

sentence of 20 years.

In Federal District Court in Manhattan on Tuesday, Mr. Seabrook, wearing gray suit pants, a matching vest and a white shirt buttoned to the neck with no tie, pleaded “not guilty” in a loud voice before United States Magistrate Judge Henry B. Pitman.

He was released on a \$500,000 personal recognizance bond. His lawyer, Murray Richman, told reporters in the courthouse hallway that the councilman’s conduct did not constitute a crime.

“We have no hesitation in saying that we don’t perceive that a crime was committed,” Mr. Richman said, adding, in reference to a check that was issued to reimburse the councilman for what he said were legitimate expenses, “That’s laundering? I question that.”

At a news conference, [Preet Bharara](#), the United States attorney for the Southern District of New York, said that through the use of discretionary funds, Mr. Seabrook “basically operated his own corrupted [City Council](#)-funded friends and family plan.”

Rose Gill Hearn, the city’s investigations commissioner, described the fraudulent schemes alleged in the indictment as “breathhtaking.” Even after one of the nonprofit groups was flagged by city auditors for financial impropriety, she said, Mr. Seabrook “found ways to dodge scrutiny and keep the money flowing.”

The allegations are another blow to the embattled City Council, which over the course of a two-year investigation by federal prosecutors and the city’s Department of Investigation has been forced to take several steps to bring more transparency to the way it distributes millions of dollars in discretionary funds each year.

Speaker [Christine C. Quinn](#) said in a statement on Tuesday that all of the members of the Council “take the deeply troubling allegations” against Mr. Seabrook “very seriously,” adding that the matter was immediately referred to the body’s Standards and Ethics Committee, which will convene as early as next week.

Mayor [Michael R. Bloomberg](#) declined to comment on the specifics of the allegations on Tuesday, saying he had not read them. At the same time he defended the Council and the administration’s efforts to clean up its discretionary financing process.

Four of the 13 counts in the indictment are based on what prosecutors allege was Mr. Seabrook’s successful lobbying effort to help his close associate win the nearly \$300,000 subcontract to install two boilers at the new Yankee Stadium and his direct solicitation of \$50,000 in payments from the man, much of which Mr. Seabrook then funneled through his political committee.

1 | [2](#) | [NEXT PAGE »](#)

Colin Moynihan contributed reporting.

A version of this article appeared in print on February 10, 2010, on page A1 of the New York edition.

[SIGN IN TO E-MAIL](#)

[PRINT](#)

[SINGLE PAGE](#)

[REPRINTS](#)



[Click here to get 50% off Home Delivery of The New York Times.](#)

In Brazil, a jungle home
A painter’s six-room canvas

nytimes.com

REAL ESTATE

ADVERTISEMENTS

The new issue of T is here

Watch today’s top videos

See the news in the making. Watch TimesCast, a daily news video.

See the news in the making. Watch TimesCast, a daily news video.



Ads by Google

what’s this?

Home Jobs Scams

Job Database & Resources Find home jobs scams Here
PositionsCareers.com

Internet Marketing Scams

Get Your Free Report The Secrets To Internet Marketing Now!
Going Fast.
TheSecretsToInternetMarketing.com

Identity Theft Scams

Rated “Best in Class”! Get the Most Comprehensive ID
Protection Today.
www.IdentityGuard.com

SEE THE NEWS IN THE MAKING.
Don’t miss TimesCast:
Behind the Scenes in the Newsroom.

[nytimes.com/timescast](#)



RELATED ADS

What are Related Ads?

» [Identity Theft](#)

» [Identity Theft Risks](#)

» [Web Identity Theft](#)

» [Bank Identity Theft](#)

» [Stolen Identity](#)

Ads by Google

what’s this?

Delicious Recipes

Find Thousands of Recipes and Menu Ideas - Visit KitchenDaily Now!
KitchenDaily.com

Executive MBA: 15 Months

Earn an Executive MBA Online at RIT. No GMAT or GRE, Free Brochure.
EmbaOnline.RIT.Edu

Resurrection of Jesus

Did Jesus Rise From the Dead? Discover the Facts From Scholars
www.y-Jesus.com/Resurrection

Past Coverage

- Bagel-nomics: For \$177, You Also Get the Kitchen Sink? (February 10, 2010)
- Councilman's Role in Sister's Hiring Is Examined (April 28, 2009)
- Investigation Of Council Said to Grow (April 30, 2008)
- COUNCIL CONTESTS: 12th District -- Bronx; In the Bronx, a Reprise of a 2001 Primary (August 26, 2003)

Related Searches

- Seabrook, Larry B [Get E-Mail Alerts](#)
- New York City [Get E-Mail Alerts](#)
- Frauds and Swindling [Get E-Mail Alerts](#)
- Embezzlement [Get E-Mail Alerts](#)

INSIDE NYTIMES.COM



TECHNOLOGY »



News Sites Rethink Anonymous Commenters

OPINION »



Room for Debate: Paying for Clean Tap Water

STYLE »



T Magazine: Design Issue, Spring 2010

WORLD »



Artists Embellish Walls With Political Visions

OPINION »

Strogatz: Change We Can Believe In
Differential calculus can show you the best path from A to B, and Michael Jordan's dunks can help explain why that is.

TELEVISION »



The Doctor Is In (the Director's Chair)