



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York

U.S. ATTORNEY PREET BHARARA

FOR IMMEDIATE RELEASE
Wednesday, October 24, 2012
<http://www.justice.gov/usao/nys>

CONTACT: U.S. ATTORNEY'S OFFICE
Ellen Davis, Jerika Richardson,
Jennifer Queliz, Mary Delsener
(212) 637-2600

FBI
Martin Feely, Jim Margolin,
J. Peter Donald, Kelly Langmesser,
Adrienne Senatore
(212) 384-2100

**QUEENS DISTRICT LEADER CHARGED IN MANHATTAN FEDERAL
COURT WITH ENGAGING IN CAMPAIGN FINANCE FRAUD SCHEME
AND OBSTRUCTING JUSTICE**

*Scheme Allegedly Involved Using Straw Donors to Funnel Multiple Illegal Contributions to the
Defendant's 2010 New York City Council Campaign*

Preet Bharara, the United States Attorney for the Southern District of New York, and Mary E. Galligan, the Acting Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced today the unsealing of fraud and obstruction of justice charges against ALBERT BALDEO, a Democratic Male District Leader in Queens, New York, who was a 2010 candidate for the New York City Council representing Queens District 28. BALDEO is accused of participating in a scheme to use straw donors to funnel multiple illegal campaign contributions to his fall 2010 campaign for the City Council with the intent to fraudulently increase the amount of matching funds provided by the New York City Campaign Finance Board (the "NYCCFB") to the campaign. He is also charged with obstructing the Government's investigation of this matter. BALDEO surrendered this morning and will be presented in Manhattan federal court later today before U.S. Magistrate Judge Henry B. Pitman.

Manhattan U.S. Attorney Preet Bharara said: "As alleged, Queens District Leader Albert Baldeo was so focused on securing a position with the New York City Council that he was willing to break the law to increase his chances – including engaging in a scheme to circumvent campaign finance laws by funneling his own money through straw donors. Baldeo even allegedly used fear and intimidation to prevent others from exposing his conduct. As today's charges demonstrate, we will not sit idly by and allow candidates for elected office to corrupt the electoral process or the administration of justice."

FBI Acting Assistant Director-in-Charge Mary E. Galligan said: "Mr. Baldeo allegedly fabricated contributions to his campaign in order to receive six dollars in matching funds for

every dollar he raised. These were nothing more than funds drawn from his own bank account, disguised as donations from others. When FBI agents began to uncover his deceitful scheme, Mr. Baldeo told straw donors to lie to our agents and in some cases threatened and intimidated others in a vain attempt to derail the FBI's investigation. Today, Mr. Baldeo finds himself under arrest for allegedly breaking the law and then trying to cover it up.”

The following allegations are based on the Complaint unsealed today in Manhattan federal court:

In the fall of 2010, BALDEO participated in a scheme to defraud New York City that involved the use of straw donors to funnel multiple illegal campaign contributions to his ultimately unsuccessful campaign for City Council. Among other things, one object of the scheme was to increase the amount of matching campaign funds the BALDEO campaign would receive from the City. On various occasions, BALDEO, and in at least one instance BALDEO's office manager, provided money orders or cash to individuals to contribute to the campaign in their own names, even though BALDEO supplied the funds and these individuals did not contribute any of their own money or reimburse him for these donations.

As part of this scheme, BALDEO gave each straw donor a campaign contribution card in which he or she wrote his or her name, address, employment information, and the amount of money purportedly donated to the BALDEO campaign. BALDEO instructed the straw donors to sign the contribution cards falsely affirming that the contribution was being made from their personal funds and was not being reimbursed in any manner. The NYCCFB would have relied upon the information contained in these fraudulent contribution forms, among other things, in order to determine whether to release matching campaign funds to BALDEO's 2010 campaign. Moreover, as part of this scheme, BALDEO instructed several of these straw donors to sign affidavits, at least one of which was actually provided to the CFB in connection with BALDEO's efforts to obtain matching funds, and which also falsely asserted that these straw donors' contributions were made using their own funds.

The BALDEO campaign sought matching funds for approximately \$15,000 in contributions to the campaign, which would have resulted in approximately \$90,000 in public matching money had the NYCCFB not determined that the BALDEO campaign was ineligible for matching funds due to serious, unresolved questions about the validity of various contributions to the campaign.

In addition, after learning of the FBI's investigation of this matter, BALDEO obstructed the investigation by repeatedly instructing certain straw donors to provide false information to, or not cooperate with, the FBI agents who were investigating contributions to his campaign. More specifically, BALDEO instructed these individuals to tell the FBI that money contributed to his campaign in their names came from their own funds when, in fact, BALDEO himself had provided it. When instructing at least some of these individuals to provide false information to the FBI, BALDEO tried to convince them to lie by telling them that they could get in trouble for admitting to the FBI that the money donated in their names was not actually their own.

Moreover, in retaliation for one straw donor's refusal to lie as instructed by BALDEO: (1) a threatening letter was faxed from BALDEO's office to the office of this straw donor's attorney; (2) a co-conspirator of BALDEO's not charged in the Complaint (“Co-conspirator-1”) made false allegations to a New York City agency that this straw donor was abusing his

grandchild; and (3) Co-conspirator-1 made at least one complaint to the New York City Department of Buildings about a property owned by this straw donor.

* * *

BALDEO, 52, of Queens, New York, is charged with one count of conspiracy to commit mail fraud, one count of attempting to commit mail fraud, one count of conspiring to obstruct justice, and one count of obstruction of justice. Each count carries a maximum sentence of twenty years in prison.

United States Attorney Bharara praised the investigative work of the FBI and expressed his appreciation for the assistance of the New York City Campaign Finance Board in the investigation of this matter.

This case is being prosecuted by the Office's Public Corruption Unit. Assistant United States Attorney Paul Krieger is in charge of the prosecution.

The charges in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

12-323

###