



Department of Investigation

Press Release

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FOR IMMEDIATE RELEASE	
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PRESS RELEASE

NEW YORK CITY COUNCILMAN AND CO-CONSPIRATOR INDICTED IN MULTI-MILLION DOLLAR EXTORTION SCHEME

ALAN VINEGRAD, United States Attorney for the Eastern District of New York, ROSE GILL HEARN, Commissioner, New York City Department of Investigation, KEVIN DONOVAN, Assistant Director-in-Charge, Federal Bureau of Investigation in New York, and RAYMOND W. KELLY, Commissioner, New York City Police Department, today announced the indictment and arrests of ANGEL RODRIGUEZ, a New York City Councilman representing the 38th Council District in Brooklyn, and JONATHAN MORALES, his associate, on charges of extorting a real estate developer seeking City approval to build a multi-million dollar waterfront development project in the Red Hook section of Brooklyn, New York.

The 38th Council District consists of parts of several neighborhoods in South Brooklyn, including Red Hook, Sunset Park, Boerum Hill, Carroll Gardens, Park Slope, Windsor Terrace, Wyckoff, Gowanus, and Bay Ridge. RODRIGUEZ is the City Council member representing that district and has been a member of the City

Council since January 1998. JONATHAN MORALES is a personal friend of RODRIGUEZ and a salesman employed at a furniture show room in New Jersey.

According to the 15-count indictment unsealed in United States District Court in Brooklyn this morning, since the spring of 2000 a real estate developer who cooperated in the government's investigation has been seeking City approval to build a multi-million dollar waterfront development project in Red Hook, Brooklyn. The anchor tenant of this development project, known as the "Red

Hook Stores Project," is slated to be a Fairway Supermarket. The approval process for this development project required, among other things, an affirmative vote of the City Council's Land Use Committee and the full City Council.

According to the indictment, the investigation revealed that beginning in April 2001, Councilman RODRIGUEZ and MORALES carried out an extortion scheme to obtain \$50,000 in cash from the developer and the transfer of three properties in Cobble Hill valued at approximately \$1.5 million below the fair market value of the real estate. In exchange, the developer was assured that RODRIGUEZ would support the Red Hook Stores Project when it came to a vote in the City Council.

The extortion scheme culminated with the developer signing a contract on January 28, 2002 for the sale of his three Cobble Hill properties for \$1 million, and with RODRIGUEZ coming out in support of the Red Hook Stores project the following day, January 29, 2002, before the City Council's Land Use Committee. On January 30, 2002, the day after RODRIGUEZ officially supported the developer's project, the full City Council unanimously voted to approve it.

The indictment charges that in the weeks following the signing of the contract and the City Council's approval of the developer's project, MORALES demanded the cash payment from the developer as part of the extortion scheme. On February 7 and 15, 2002, respectively, the developer made two cash payments of \$9,000 each to MORALES toward the \$50,000 that the defendants had previously demanded. The indictment charges each of the defendants with attempted extortion and extortion conspiracy, wire fraud and wire fraud conspiracy, and violation of the Travel Act and Travel Act conspiracy.⁽¹⁾ If convicted, each defendant faces a maximum sentence of 20 years imprisonment, a \$250,000 fine, and three years supervised release on the extortion counts, and five years imprisonment, a \$250,000 fine, and three years supervised release on the conspiracy, wire fraud and Travel Act counts.

In announcing the indictment and arrests, United States Attorney ALAN VINEGRAD stated: "Today's charges are the result of the willingness of a New York City councilman to use his power to enrich himself and to betray his oath and the trust that was placed in him by the members of his own community. An elected official who corrupts government in this manner will be met with the full force of the criminal justice system."

New York City Department of Investigation Commissioner ROSE GILL HEARN stated: "Councilman Angel Rodriguez stands accused of selling his endorsement of the Red Hook Stores project with the help of his cohort Jonathan Morales. The victim of this corruption is not just the developer from whom the payment was extorted, but each and every citizen of New York City, as well as all elected officials who represent their constituencies honestly."

FBI Assistant Director-in-Charge KEVIN DONOVAN stated: "While we view this case, on the one hand, as a success, it is nevertheless a sad day in the political and civic life of our city. Councilman Rodriguez was supposed to look out for the interests of, and be an advocate for, the people of the 38th Council District and the

citizens of New York City. Instead, he engaged in influence-peddling for personal gain."

The defendants will be arraigned this afternoon by United States Magistrate Judge Steven M. Gold at the U. S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York. The case has been assigned to United States District Judge Frederic Block.

The investigation resulting in the indictment and arrests announced today was jointly conducted by the Federal Bureau of Investigation and the New York City Department of Investigation. The government's case is being prosecuted by Assistant United States Attorney Richard Faughnan.

The Defendants:

ANGEL RODRIGUEZ
DOB: 3/17/57
Residence: 425 62 Street
Brooklyn, New York

JONATHAN MORALES
Age: 3/10/59
Residence: 19 Don Bosco Avenue
Paterson, New Jersey

1. The charges contained in the indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.