



The City of New York
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**STATEMENT OF DOI COMMISSIONER ROSE GILL HEARN ON THE INDICTMENT
OF NYS ASSEMBLYWOMAN DIANE GORDON FOR BRIBE-RECEIVING**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation (DOI), issued the following statement regarding the arrest and indictment of Assemblywoman DIANE GORDON:

DIANE MAXINE GORDON, New York State Democratic Assemblywoman from the 40th Assembly District in Brooklyn, was arrested today on felony charges for soliciting bribes – including a \$500,000 house she ordered built to her specifications - in exchange for supporting a contractor's proposal to acquire and build on a parcel of City-owned land in Brooklyn. The contractor was cooperating with DOI's investigation, and his meetings with GORDON were recorded by DOI investigators, capturing her brazen scheme.

Assemblywoman GORDON is charged with using her government power to make a sweetheart deal with a contractor to obtain her own dream house and in the process trying to corrupt the City's affordable housing program for needy New Yorkers. Fortunately, DOI was right there - watching, listening, and recording - as GORDON played out her illegal scheme. After DOI accumulated abundant video and audiotape evidence, GORDON's scheme was stopped, and so the City's process for selecting a contractor for this parcel of City-owned land was not compromised by GORDON's corrupt scheme.

What was captured on DOI's undercover video and audio recordings was nothing short of classic corruption. For example, GORDON actually described her agreement with the contractor as, "one hand washes the other," and "you get rewarded, and I get rewarded." GORDON also said, "I want this house for little to nothing, just taxes," and, "I want to deliver these [HPD] propert[ies] to you so I can get this house for little to nothing. I don't want to pay a mortgage." GORDON also cautioned the contractor to keep their scheme quiet, saying, "If you want dreams to come true, you have to keep your mouth shut." Subtle this was not. DOI's disc recording of some of GORDON's statements and actions was made available today.

GORDON's scheme was reminiscent of that perpetrated by then-City Councilman Angel Rodriguez, arrested in March 2002 after a DOI investigation and later convicted of corruption charges related to a City development project in Red Hook, Brooklyn.

Between October 2004 and November 2005, in a series of nine meetings, most in her Brooklyn Assembly office, GORDON proposed and sought to bring to fruition her influence-for-new-house scheme. GORDON also demanded another benefit in exchange for her help – she had the contractor provide and install in her Brooklyn Assembly office a pair of French doors worth more than \$600. And GORDON arranged for the contractor to deposit \$7,500 into a checking account opened in her mother's name, from which her mother then paid back to the contractor \$7,000 as a purported "down payment" on the house.

GORDON's mother, Helen Gordon, aka Helen Staggers, 71, was named an unindicted coconspirator, as was GORDON's attorney, who advised the contractor, GORDON, and Staggers on the transfer of the house.

In an October 2004 meeting, GORDON told the contractor about City-owned vacant lots between Livonia and New Lots Avenues in East New York that could be a highly-profitable investment. At the time, the City's Department of Housing Preservation and Development (HPD) was reviewing competitive proposals for the development of affordable housing on various City-owned properties. Gordon said that she, as the area's State Assemblywoman, could ensure that HPD would select the contractor for the sites she had mentioned, if he, in return, would build at his own expense a new home for her and her mother. GORDON told the contractor that she would advise HPD to choose him and could secure the backing of other politicians. She said, "I'm going to do it. Have confidence and prayer." In fact, though, the contractor submitted no proposal to HPD for the sites. No other politicians are charged today in this case.

Details of GORDON's corrupt scheme were filled in during later meetings. For example, during the undercover investigation, the contractor at DOI's direction gave GORDON a set of architectural plans for the house she wanted him to build for her. At a meeting, with the plans laid out before them, GORDON and her mother, Ms. Staggers, described exactly what they wanted in the design, in such exacting detail as how many steps should lead up to the front door and the precise size of the bathroom to be built adjoining the mother's first-floor bedroom. GORDON even marked-up the plans, indicating where she wanted doors, bathrooms, and other features, and at DOI's direction, the contractor had GORDON initial and date her notations. GORDON also insisted that the house not be a "row house," but a detached dwelling, located away from any recreation areas where children might make noise. And GORDON agreed that her new house should be built in a gated community in Queens. The estimated value of the house as GORDON wanted it built exceeded \$500,000. All of this conduct was captured by DOI on audio and video recordings.

Initially, GORDON wanted to pay only the annual property taxes, and nothing to the contractor, for her new house. Later, though, GORDON consulted an attorney and then suggested alternatives to an outright gift of the house to her. For example, at a meeting in March 2005, GORDON told the contractor that title to the house should be in her mother's name, "Helen Staggers," to obscure Gordon's involvement. In June 2005, in the basement of a Brooklyn church where GORDON said she was a member, GORDON, Ms. Staggers, and GORDON's attorney met with the contractor to discuss the transfer of the house. The attorney warned the three others, "You can't just give a house away, not to an Assemblywoman." When asked whether they could make it appear, on paper only, that GORDON or her mother was paying more than a nominal sum for the house, the attorney said, "However you guys want to work, I, it's gotta show money. It's gotta show an exchange of money. However you guys want to do this afterwards, that's your business. I don't want to know nothing about that." The attorney suggested that the contractor have his attorney draft a "purchase money mortgage" between GORDON's mother and the contractor, without a bank's involvement. GORDON later told the contractor, "For paper sake it has to show something sensible...make the papers to be that way." GORDON also told him that she would pay something each month for the house, adding, "I'm still getting away with a very good gift."

GORDON, her mother, and the contractor also agreed that the contractor would give cash to GORDON's mother, who, in turn, would deposit it in a new bank account in her name and then pay it back to the contractor, by check, to create the appearance that she was making a down payment on the new house. As agreed, the contractor gave GORDON and her mother \$1,000 in cash to open the bank account – while DOI investigators video-recorded the payment. In November 2005, after more than \$7,000 had been deposited in Ms. Staggers's account, the contractor, as instructed by DOI, gave GORDON a "letter of intent," to be signed by GORDON's mother. The contractor waited in GORDON's office until GORDON returned the letter with Ms. Staggers's signature and a check for \$7,000 from her bank account.

Also in November 2005, GORDON introduced the contractor and a DOI undercover investigator posing as one of the contractor's investors to a community leader and solicited his support for the contractor's proposal.

This investigation was conducted by Deputy Commissioner Dan Brownell, Deputy Commissioner Vincent E. Green, Deputy Inspector General Alberta Ancrum, and Assistant Inspector General Joseph H. Medina. The office of Kings County District Attorney Charles J. Hynes is prosecuting the case, which has been assigned to Executive Assistant District Attorney

Kevin Richardson, Michael Vecchione, Chief of the Rackets Division, Joseph DiBenedetto, Deputy Chief of the Rackets Bureau, and Monique Ferrell, Chief Counsel to the Rackets Division.

Criminal indictments are accusations. Defendants are presumed innocent until proven guilty.

DOI is one of the oldest law-enforcement agencies in the country. The agency investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities or unethical conduct. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City.

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