

Feds, state unite in Espada raid

Material seized in criminal probe of Senate majority leader's Bronx health care operation

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State and federal investigators raided the offices of the Soundview HealthCare Network, the non-profit run by Senate Majority Leader Pedro Espada Jr., as a criminal investigation against him intensifies.

FBI and IRS agents and investigators from the office of Attorney General Andrew Cuomo entered the Bronx property just before 7 a.m. Wednesday and carted away payroll and campaign materials. The action occurred one day after a state civil lawsuit claimed Espada looted millions of dollars from the operation, which receives public funds.

Cuomo said his office and federal investigators are working together in an "optimum" way to conduct criminal probes against Espada.

News broke late last week that the FBI and IRS are examining payments made to A1 Multi Services in the Bronx, a company which may be a shell used for money laundering.

Federal prosecutors from the Brooklyn-based Eastern District are pursuing the possibility of mail and wire fraud charges, said Steven Cohen, Cuomo's chief of staff. Cuomo filed suit Tuesday against Espada and 19 Soundview employees, alleging the Bronx Democrat took \$14 million from the organization for personal and campaign uses.

"In my opinion, this was a clear case in which he just didn't follow the law," Cuomo said during a news conference outside his Manhattan office.

An Espada spokesman could not be reached for comment about the raids, but the senator on Tuesday said Cuomo's claims were "falsehoods" and attacked his investigation as politically motivated.

Cuomo rebuffed the charge. "I see it as a factual lawsuit, and I think it's a very powerful lawsuit and I think the facts speak for themselves," he said.

A law enforcement source said investigators removed payroll and campaign materials from Soundview, and described the not-for-profit health clinic as the "gravy train" for the Espada family and its political activities. A criminal search warrant issued in federal court was used to conduct the raid, the source said.

As the investigations proceed, there are louder calls for political action against Espada, who became the chamber's majority leader after he led an abortive coup last

summer in the Senate. An enrolled Democrat, Espada caucused with Republicans before re-joining his party.

Sen. Martin Golden, R-Brooklyn, said he was calling on Democrats to strip Espada of his leadership post and said he would offer a resolution asking for the move.

"I think you're going to see over the next few months that where there's smoke there's fire, and at some point I believe that there will be criminal action," Golden said. "Mr. Espada's going to have some difficult days ahead."

More calls for Espada to step down from his leadership post were issued by declared attorney general candidates Kathleen Rice, the Nassau County district attorney, and Sen. Eric Schneiderman, D-Manhattan/Bronx, as well as Sen. Craig Johnson, D-Long Island.

Espada did not attend a Senate session scheduled for Wednesday morning; a spokesman for the majority Democrats said he was excused. Senate Democratic Conference Leader John Sampson has not indicated there will be any change in Espada's status at this point.