

Congress of the United States
Washington, DC 20515

May 20, 2010

The Honorable Preet Bharara
United States Attorney
Southern District of New York
1 St. Andrews Plaza
New York, NY 10007

Dear Mr. Bharara:

On January 6, 2010, your office indicted former Yonkers City Council Democratic Majority Leader Sandy Annabi on charges of “conspiracy, bribery, extortion, false statements, and tax crimes.”¹ The indictment also charged the former head of the Yonkers Republican Party and Annabi’s cousin, Zehy Jereis, and a Westchester County attorney, Anthony Magnone, with “conspiracy, bribery, and extortion.”²

According to the indictment, Jereis secretly gave Annabi “monetary payments and other things of value to influence and reward her for taking official action or inaction on matters over which she exercised discretionary authority” as a member of the Yonkers City Council.³ As a part of this arrangement, Jereis organized a series of meetings between representatives of Forest City Ratner, Inc. (“Developer No. 2”)⁴ and Annabi, who had been opposed to Ridge Hill, a development project by Forest City Ratner.⁵ As a result of negotiations, Forest City Ratner agreed to give Jereis a \$60,000 “real estate consultant” job even though Jereis “was not a licensed real estate broker and has little or no relevant experience in real estate development” if Annabi would agree to vote in favor of the Ridge Hill project.⁶ Subsequent to these meetings, in a press release drafted by Jereis and representatives of Forest City Ratner, Annabi announced to the public her decision to support Ridge Hill.⁷

Despite Forest City Ratner’s role in the bribery scheme, described in your indictment, and Forest City Ratner’s failure to report Jereis’s bribe to the FBI, your office has failed to charge any representatives of Forest City Ratner with wrongdoing. Ed Tagliaferri, Senior Vice President of Forest City Ratner’s public relations firm, claimed,

¹ PRESS RELEASE, *United States Attorney Charges Former Democratic Majority Leader of Yonkers City Council, Former Yonkers Republican Party Chief, and Attorney with Public Corruption Crimes* (Jan. 6, 2010), available at: <http://www.lohud.com/assets/pdf/BH14955916.PDF>.

² *Id.*

³ Indictment, *United States of America v. Sandy Annabi, Zehy Jereis, and Anthony Mangone*, 10 Cr. 007, (S.D.N.Y. 2010).

⁴ Robert Gearty and Greg B. Smith, *Yonkers pol Sandy Annabi took bribe to OK Ratner deal, feds say*, NY DAILY NEWS, Jan. 7, 2010, available at: http://www.nydailynews.com/news/ny_crime/2010/01/07/2010-01-07_yonkers_pol_took_bribe_to_ok_ratner_deal_feds_say.html (Bruce Ratner confirmed that Forest City Ratner was “Developer No. 2” named in the indictment).

⁵ *Supra* note 3 at 2-21.

⁶ *Id.* at 14-15.

⁷ See FBI PRESS RELEASE, available at: <http://newyork.fbi.gov/doipressrel/pressrel10/nyfo010610.htm>.

"Forest City has been advised by the U.S. Attorney's Office that neither the company nor any of its employees is a target of the investigation."⁸

Forest City Enterprises, Inc. executives Albert B. Ratner, James Ratner, Ronald Ratner, Deborah Ratner Salzberg and Bruce Ratner have contributed a total of \$9,000 to Attorney General Andrew Cuomo.⁹ Many of these same executives, including Albert B. Ratner, Brian Ratner, Bruce Ratner, Charles Ratner, James Ratner, and Ronald Ratner have given \$8,100 to Senator Charles Schumer of New York, your former boss.¹⁰ According to the *Huffington Post*, "[b]y not holding Forest City Ratner accountable for the actions alleged in the indictment there is, yet again, an appearance of favoritism, which appears thus far to have let Ratner's company escape prosecution for what may well be very serious crimes."¹¹

We consider allegations that political "favoritism" guided your decision not to pursue legal charges against Forest City Ratner and its employees for its potential violations of the federal code¹² to be very serious. As such, we would appreciate your response to these claims. Please respond to the following inquiries on or before June 4, 2010:

1. Disclose all relationships, whether personal, familial or professional, between you and your staff and Bruce Ratner and/or his company, Forest City Ratner, Inc.
2. Identify all communications between you and any employee of the Forest City Ratner companies, including Forest City Enterprises, within the last two years.
3. Identify all individuals within your office who had communications with Bruce Ratner and/or representatives of Forest City Ratner, Inc. concerning the Ridge Hill project. For each individual, identify the communications.
4. Provide the legal basis for finding no wrongdoing in Forest City Ratner's negotiations with Sandy Annabi, Zehy Jereis, and Anthony Magone.

⁸ Norman Oder. *Forest City Ratner, unnamed/unindicted, cited as giving indicted man consulting job after he got Yonkers Council Member to change vote on Ridge Hill.* ATLANTIC YARDS REPORT, Jan 6, 2010, available at: <http://atlanticyardsreport.blogspot.com/2010/01/forest-city-ratner-unnamedunindicted.html>

⁹ NEW YORK STATE, CONTRIBUTIONS AND EXPENDITURE DATABASE [search "Ratner"], available at: http://www.elections.state.ny.us:8080/plsql_browser/CONTRIBUTORB_COUNTY?NAME_IN=Ratner&position_IN=ANYWHERE&date_from=&date_to=&CATEGORY_IN=ALL&OFFICE_IN=ALL&county_IN=ALL&AMOUNT_from=&AMOUNT_to=&ZIP1=&ZIP2=&ORDERBY_IN=N.

¹⁰ OPEN SECRETS, CAMPAIGN CONTRIBUTIONS, SEN. CHARLES SCHUMER, available at: <http://www.opensecrets.org/indivs/search.php?name=ratner&state=&zip=&employ=&cand=Schumer%2C+Charles+E&c2010=Y&sort=N&capcode=vn8bv&submit=Submit>.

¹¹ See Daniel Goldstein, *What Role Did Bruce Ratner's Company Play in the Ridge Hill Indictments?* HUFF. POST, Feb. 24, 2010, available at: http://www.huffingtonpost.com/daniel-goldstein/what-role-did-bruce-ratne_b_474934.html

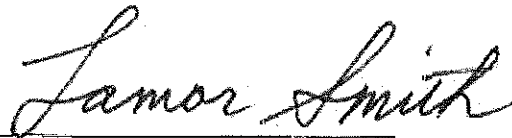
¹² See 18 U.S.C. § 371 (conspiracy), 18 U.S.C. § 599 (use of influence or support for the appointment of a person to employment), and 21 U.S.C. § 848 (continuing a criminal enterprise, accomplice liability).

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5. Do you expect to make any further inquiries into Forest City Ratner's role in this matter? If so, when should we expect this inquiry?

Thank you for your attention to this matter. If you have any questions, please contact Crystal Jezierski of the Committee on the Judiciary at (202) 225-6906 or Daniel Epstein of the House Committee on Oversight and Government Reform staff at (202) 225-5074.

Sincerely,



Lamar Smith
Ranking Member
U.S. House Committee on the Judiciary



Darrell Issa
Ranking Member
U.S. House Committee on
Oversight and Government Reform

Cc: The Honorable Edolphus Towns, Chairman
Committee on Oversight and Government Reform
The Honorable John Conyers, Jr., Chairman
Committee on the Judiciary
The Honorable Eric Holder, Jr., Attorney General of the United States
The Honorable Ron Weich, Assistant Attorney General