

# WATCH OUT FOR THE FEDS

*A payoff-to-get-out-of-prison scandal shakes the Pataki administration.*

BY SCOTT CHRISTIANSON

ESR  
25  
Years

**A**n ongoing corruption scandal rocked the Pataki administration last month when a member of the state parole board was convicted of lying to federal authorities investigating alleged illegal favors in return for political campaign contributions. Another parole official later pleaded guilty to similar charges, saying the governor's office had ordered parole officials to release an armed robber from prison in exchange for cash contributions to Pataki's campaign.

Now the investigation is focusing on some of Pataki's closest aides, who may face criminal charges in the scheme.

"Ultimately, the truth will come out that the individuals involved in this case and this administration handled themselves with complete propriety," Pataki's press secretary, Michael McKeon, said in response to the guilty plea. "At some point, the prosecutors will have no choice but to acknowledge the truth."

But a prosecutor in the office of the U.S. Attorney for the Eastern District of New York, said: "Others have not been charged yet. So stay tuned—there's more to come."

Some of those already summoned by the federal grand jury include:

- Zenia Mucha, the governor's communications director;
- Patrick Donohue, Pataki's campaign finance chief;
- Jeff Wiesenfeld, Pataki's executive assistant, and a former FBI agent and former aide to Sen. Alfonse D'Amato, who recently was confirmed as a member of the City University of New York Board of Trustees;
- Paul Shectman, Pataki's former criminal justice director and current chairman of the state Ethics Commission;
- Satmar Rabbi Leon Perlmutter, Pataki's primary liaison to the Jewish community;
- Yung Soo Yoo, a Pataki fund-raiser and liaison to the Korean community; and
- Grace Park Koh, a Pataki community affairs specialist

who worked in Wiesenfeld's office at Pataki's New York City headquarters.

During secret grand jury testimony, at least one Pataki aide pleaded the Fifth Amendment.

Mucha acknowledged last year that she and other Pataki aides had been subpoenaed to appear before the grand jury along with campaign records, but she claimed campaign officials were not being investigated for any wrongdoing.

Federal investigators also have been probing whether Pataki campaign contributors received state contracts or other favorable treatment in exchange for other donations to the state Republican Party. One of the matters under scrutiny involves the awarding of a \$97 million Queens tunnel contract to Silverite Construction—linked to more than \$335,000 in campaign contributions. Both the company owner, Angelo Silveri, and Pataki have publicly denied any wrongdoing, as has a spokesman for the state Republican Party.

**O**n Aug. 3, a federal jury convicted Parole Commissioner Sean McSherry, 47, of perjury and obstruction of justice. The conviction followed two weeks of testimony in Brooklyn federal court, and was part of a wide investigation that started more than a year and a half ago. (See "Feds Probe Possible Favoritism," *Empire State Report*, March 1999.)

Many observers had figured the case was going nowhere. But instead, it delivered a bombshell.

U.S. District Judge Nina Gershon set McSherry's sentencing for Oct. 4, when he could receive a determinate sentence of as much as 10 years in prison for obstruction of justice and five years for perjury unless he cooperates. (In the federal system, he is not eligible for early parole release.) As a result of his conviction, McSherry already has been terminated from state service, as required by the Public Officers Law, and faces removal from the state bar. His lawyer says he will appeal the conviction.

Federal authorities questioned McSherry under oath about his role in releasing a convicted armed robber, John Kim, from prison in April 1996. That release previously had been sought by members of the governor's staff after the inmate's family had contributed money to the Pataki campaign.

McSherry's elaborate sworn accounts of his actions in the case later were found to be false. His lawyer argued that he was a victim of a mental disorder, known as confabulation—the fabrication of stories in response to questions about situations or events that are not recalled. In other words, somebody unknowingly makes up an elaborate story and comes to believe it is true.

But the jury convicted him on all counts.

After the verdict, McSherry's trial lawyer, Diarmuid White of Manhattan, said: "The government's fairly elaborate claims of a criminal conspiracy comprise a chain that reaches from a Korean fund-raiser and the Friends of Pataki fund-raising organization to the governor's executive secretary, a staff member, and a commissioner at the Board of Parole." White says his client "got caught in the middle of it."

Observers of the case say jurors couldn't square McSherry's action in the case with his reputation as a tough-on-crime commissioner.

"McSherry was the most conservative guy on the Parole Board—he was like Gen. Patton," says one former parole staffer who worked closely with him for several years.

Now the former parole commissioner is himself facing hard prison time.

**A** former Bronx prosecutor, McSherry had been appointed to the parole board in 1989 by Gov. Mario Cuomo at the urging of then-Sen. Chris Mega, a powerful Brooklyn Conservative-Republican. McSherry's father, now deceased, was a friend of many prominent politicians and an official of the state Conservative Party. McSherry and some of his other relatives are long-standing financial contributors to the state Conservative Party and closely allied with its hard-nosed chairman, Mike Long—another Pataki backer and confidante. Long served as one of Gov.-elect Pataki's key advisors on parole, along with the present budget director, Robert King.

At his trial, McSherry admitted that he had tried to gain Pataki's appointment as parole boss or judge, but had remained as a parole commissioner.

McSherry is the first sitting parole commissioner in New York State history to be convicted of a felony.

The agency long has prided itself for being vigilant against possible corruption. Yet top parole officials who were questioned for this article were unavailable or refused to comment on the case or related matters. In keeping with parole's defensive posture, its new executive director, Marty Cirincione, is a former defense attorney.

The agency's official spokesman, Tom Grant, did not return this reporter's telephone calls about the case. Instead of publicly condemning the convicted parole officials, Pataki's press secretary, Michael McKeon, condemned the federal prosecutors.

**A**nother former parole official—Ronald Hotaling, the longtime administrative secretary to the parole board—pleaded guilty to reduced charges on Aug. 16 and faces a maximum of four months in jail in exchange for his cooperation with prosecutors. A 27-year parole system veteran, Hotaling was not in a position to authorize anyone's early release from prison; he handled assignments and scheduling of the 19 board members to each of the three-member panels that decide whether or not to grant parole.

As he pleaded guilty, Hotaling told Federal Magistrate John Caden that he had been contacted by a representative of the governor and ordered to arrange for an inmate's early release. (Such interference is illegal.) Hotaling said he later relayed the message to McSherry and another parole commissioner—on instructions from the "head of the agency." After a unanimous action by a three-member parole board panel, the prisoner was subsequently released from prison at the earliest possible date.

Brion Travis, the chairman of the parole board and executive director of the Division of Parole, is among those called before the grand jury. A former senior parole officer in the Bronx and local probation director in Putnam County, Travis—a Garrison resident—was at one time a babysitter for Pataki's children. Since taking office in early 1995, Travis has increasingly angered many of his rank-and-file staff for being a "hands-off" commissioner.

At McSherry's trial, prosecutors said they would present a witness who would testify about a "pipeline" between aides in Gov. Pataki's office and members of the parole board whom the aides wanted to alert about persons they wanted released early from prison. The mystery witness has not yet been called to testify.

Sources close to the investigation say the witness is Joseph Gawlowski, a longtime parole supervisor and early Pataki campaign supporter, who Pataki appointed as executive director of the Division of Parole shortly after the 1994 election. After the scandal broke, Gawlowski left the post and Pataki appointed him a commissioner to fill a vacant term on the parole board and he subsequently was confirmed by the Republican-controlled Senate. Pataki

*"Everybody ...  
has acted properly  
and appropriately,  
and that's what  
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administration."*

—Pataki

ESR  
  
Years

recently reappointed Gawlowski to the panel for a six-year term at a starting salary of \$101,000.

During the last year, numerous other parole officials have also been called before the grand jury. Some say prosecutors have concluded they are not targets of the investigation.

If the trials continue, testimony may be presented about other suspicious parole cases. Some entailed the release of numerous drug kingpins—among them, some of the biggest international drug traffickers ever imprisoned in New York State.

All of this allegedly happened during the Pataki administration, which has been renowned for its tough talk about cracking down on criminals. Ever since his 1994 candidacy, Pataki has made it one of his top goals to eliminate parole release for dangerous felons. One of his first acts as governor was to prohibit work release for violent offenders. He also obtained legislation to bar persons convicted of violent offenses from getting early parole release. And he continues to seek the abolition of parole for nonviolent offenders.

The parole investigation apparently was triggered in 1997, when a Korean man in New York City went to city police to complain that he had given a check to a Pataki associate—Yung Soo Yoo—on the promise that his son would be released from prison. The check was made out to the Pataki campaign. Later Yoo asked the man to write another check, made out to Yoo.

By January 1998, newspapers reported that federal authorities had secret tape recordings of Yoo telling potential Pataki campaign donors they could buy favors from the parole board for their imprisoned relatives. Other Korean families with imprisoned relatives also were mentioned as having contributed money to Pataki through Yoo.

Mucha later said campaign officials had returned the checks as soon as they learned of any possible impropriety involving Yoo. She also said the continued incarceration of the inmates in question helped to prove that neither the governor, his aides nor the Pataki campaign had done anything wrong.

On Jan. 22, 1998, Pataki said he was "absolutely confident" that no wrongdoing had occurred. He added: "Everybody in my administration has acted properly and appropriately, and that's what they have to do, or else they wouldn't be appointed to the administration."

Yoo, who lives in East Rutherford, N.J., runs a Glen Ridge, N.J. company that imports optical lenses. He raised tens of thousands of dollars in campaign contributions for Sen. Alfonse D'Amato in 1992 and Pataki in 1994-95. He also helped get out the Korean vote for Pataki and D'Amato. Yoo served as a member of Pataki's Transition Advisory Group in 1994-95. Pataki's wife, Libby, publicly accepted a gift of a Korean dog as a pet from Yoo.

Before he went to work for D'Amato and Pataki, Yoo was a South Korean intelligence agent who had been implicated in political corruption in Korea. In testimony before a congressional committee, he had admitted having worked to discourage witnesses from cooperating in the massive American influence-peddling scandal in the 1970s known as Koreagate. Yoo had also been convicted of federal bank fraud

in the United States in 1984 after bilking the Korean government out of more than \$2 million. Yet for years afterward, he continued to raise money for President George Bush, Sen. Jesse Helms, D'Amato, Pataki, and other prominent Republicans. In 1995, he received a \$875,000 tax-free business loan in New Jersey from the administration of Republican Gov. Christine Todd Whitman.

At the time of the tape-recorded disclosures, Yoo figured in another federal investigation involving Rep. Jay Kim, R-California, who in 1997 pleaded guilty to accepting more than \$230,000 in illegal campaign contributions from Taiwanese and Korean business interests.

For a time it appeared that Yoo may simply have bilked Korean families on his own, making promises he couldn't keep, because it did not seem that any of the families in question had actually succeeded in gaining early release for their imprisoned relatives.

One Korean-American, Incha Chung, for instance, claimed she contributed \$9,500 to the Pataki campaign through Yoo in exchange for the promised release of her son, Boyoung Chung, who was serving time for a 1991 murder. She complained she had been defrauded, because he had not been sprung. He is still behind bars.

Then, other disclosures came to light.

A 21-year-old thug named John Kim had been convicted in 1993 for a wave of armed robberies committed with a violent gang in Queens. One attack featured the stun gun torture of a store owner. Another involved a break-in at a private home where two young girls, ages eight and 13, were terrorized at gunpoint while Kim ransacked their home. The children were forcibly bound, their mouths covered with duct tape, and they were threatened with a gun.

Young Kim was lucky to get off with a sentence of four to 12 years; the prosecutor had asked for eight to 25. One of his crime partners, James Jhang, got seven to 21. Another fled the country.

Both the Kim and Jhang families contributed money to Pataki in 1994 through Yoo, allegedly on the promise their sons would win favorable parole treatment.

Jhang was not released early. (He is still in prison.)

But Kim was let go on his first appearance before the parole board and allowed to move to New Jersey to work for Yoo. He was released despite the presence in his file of a nine-page letter from the Queens district attorney, vehemently objecting to an early release. The commissioner who swung the vote to release him was McSherry.

Investigators later discovered the following:

- At the prompting of Pataki's campaign finance director, Donohue, members of the governor's New York City staff contacted Parole Board chief Travis about releasing a number of inmates whose families had made campaign contributions.
- A member of Pataki's gubernatorial staff—Grace Park Koh—wrote a letter to the parole board requesting early release for Kim.
- Yoo also had sent letters on behalf of some of the other convicts in question.
- A Pataki representative contacted a parole official requesting lenient treatment of Kim, citing the need to

ESR  
25  
Years

please someone who had helped deliver the Asian vote for Gov. Pataki.

After the McSherry verdict, Pataki's press secretary responded by saying: "Despite the fact that they were unable to provide one shred of evidence of wrongdoing by this administration, the prosecutors at virtually every opportunity tried to use this trial to embarrass the governor. The prosecutors know they have no evidence and should acknowledge they have no evidence. Their refusal to acknowledge the truth is just sad."

But an official in the U.S. Attorney's Office contends: "From our perspective this is a very serious investigation involving corruption, and the verdict establishes that you can't obstruct the government's process of looking into corruption."

One key figure who was interviewed by *Empire State Report* speculated that the episode "could turn into another Tennessee"—referring to a parole scandal that rocked Tennessee in the late 1970s and eventually resulted in the imprisonment of Gov. Ray Blanton.

\* **A**n early architect of Pataki's parole policies, Paul Sheckman is a former Rhodes scholar who served as a federal prosecutor under Rudy Giuliani and was a top aide to powerful Manhattan District Attorney Robert Morgenthau.

In March 1995, Sheckman was picked to be Pataki's state director of criminal justice and commissioner of the Division of Criminal Justice Services. He was hired on the recommendation of former Pataki campaign head Mucha, who previously served as D'Amato's press secretary and subsequently became Pataki's communications director. Mucha is generally regarded as one of Pataki's most powerful associates.

In early 1995, Sheckman wrote extensive sentencing legislation, known as the Sentencing Reform Act, for Pataki. It included a provision allowing early release from prison of selected offenders for the purposes of deportation. Class A-1 offenders were specifically not supposed to be eligible for inclusion.

In a June 6, 1995, letter to the editor of *The New York Times*, published on June 9, 1995, Sheckman assured readers: "A requirement of prosecutorial consent before a defendant can be considered for a diversion program is a fixture of American criminal law."

Soon after the act became effective, however, a number of drug kingpins were slated for early release and deportation. The early paroles of Cali cartel member Hernando Rizo, who had been arrested with 5,000 pounds of cocaine, and Carlos Gomez, who had been nailed with 650 pounds and guns, were blocked at the last moment by a quick-thinking U.S. Customs agent.

Dozens of other major drug traffickers were released early from prison and ordered to leave the country. Among them were Javier Rodriguez, who had been arrested with 40 pounds of cocaine; Holmes Ortiz, who had been caught with 3,200 pounds; Cali trafficker Luis Cordoba, who had been grabbed in Manhattan with 1,000 pounds; and others.

Of the 1,277 prisoners initially deported, 158 were serving time for the most serious A-1 felony drug offenses. A

questionable legal loophole apparently had allowed them to be included in the mass release. And the early releases had been angrily opposed in advance by prosecutors.

Pataki advisor Rabbi Leon Perlmutter strenuously lobbied for the release of a number of prisoners, including kidnapper Shlomo Helbrans and a number of drug dealers, one of whom—Ziv Oved—had been sentenced for operating a \$1 million-a-week drug ring.

At least one high-ranking parole official warned Sheckman against allowing some of the inmates in question to be let out of prison. The veteran parole official—Deputy Director Edward Mruczek—memorialized his concerns in a detailed letter to Sheckman in which he outlined the facts presented by law enforcement officials.

Sheckman claims he tried to convince Rabbi Perlmutter not to persist in trying to gain some of the releases. But Sheckman also sent a copy of Mruczek's sensitive confidential memo about the drug dealers to Perlmutter—who was not a criminal justice official.

Perlmutter later took the matter directly to the governor's office.

The inmates in question subsequently were released from prison and sent out of the country over law enforcement objections.

Mruczek and other career parole employees—including Hotaling and the agency counsel, Ann Horowitz—were hurriedly terminated or demoted on orders from the governor's office.

Some of the deported inmates later were rearrested in New York City.

Sheckman resigned in the wake of the deportations to become a partner in the leading Manhattan law firm of Stillman, Friedman & Shaw.

Shortly afterward, Pataki appointed Sheckman as a member of the state Ethics Commission and chairman of the Judicial Screening Committee.

When federal authorities called Mucha and her fellow Pataki campaign finance official Patrick Donohue to testify before the grand jury, Sheckman was retained as counsel to represent the Pataki campaign officials—even though Sheckman himself was under federal scrutiny for his actions involving parole. In May 1998 Pataki reappointed Sheckman to the Ethics Commission to fill a term that does not end until May 2003. Pataki also designated him as "chairman of the body that enforces ethics in state government." □

Scott Christianson is senior editor of *Empire State Report*.

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*—U.S. Attorney's Office official*

ESR  
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