

Oyster Bay Democrats seek federal review of town's loan guarantee

August 27, 2015 by TED PHILLIPS / ted.phillips@newsday.com



Oyster Bay Democrats have called for the U.S. Securities and Exchange Commission to investigate whether town officials broke the law by not disclosing financial backstops made on behalf of a private company owned by concessionaire Harendra Singh.

In a letter dated Aug. 26, John Mangelli, 49, a Bayville lawyer who is running on the Democratic line for town supervisor, asked the SEC to "immediately open a comprehensive investigation into these transactions to determine if they were in violation of Federal

securities regulations, practices and laws."

Robert Freier, an executive recruiter from Woodbury and Democratic candidate for town board, also requested a federal probe.

Newsday reported online late Saturday night that town officials helped Singh secure loans by arranging with lenders to have the town pay if his companies defaulted, exposing taxpayers to millions of dollars in liabilities.

Financial experts questioned whether the town violated federal laws when it sold tax-exempt bonds without disclosing the loans.

Town officials have refused to disclose all the concessions agreements and amendments to those agreements it has with Singh at the town golf course and Tobay Beach. An outside attorney for Oyster Bay has said the town's involvement in a 2010 loan did not constitute a guarantee because of the way it was structured.

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"Somebody needs to determine if there was illegality here," Mangelli said in an interview. "If there was, those who were responsible for it should be held accountable."

Mangelli said the public should be provided with more information about town officials' actions. "There should be full transparency with all of the books and records of the town," he said.

Town Supervisor John Venditto did not respond to a request for comment.

An SEC spokeswoman on Monday declined to comment on whether it was investigating.

Asked in an interview whether the SEC, New York State attorney general, the state comptroller, Moody's Investors Service and Standard & Poor's had contacted the town about disclosure or constitutional issues, Oyster Bay spokeswoman Marta Kane responded in an email, "there have been no inquiries from any of the entities you mentioned."

Freier has repeatedly questioned Venditto at town board meetings about concession deals. Freier said the supervisor "needs to answer to the questions that he's been asked truthfully, and he needs to step up and take responsibility."

Freier said he believed the town's involvement in the loans violated the state constitution's prohibition against municipalities guaranteeing private companies' debt.

"I would like to see a local and federal investigation into the activities of not just Venditto and the board, but all the business dealings of the town," Freier said.

Freier ticked off a series of recent local controversies, including the federal indictment of planning and development Commissioner Frederick Ippolito on tax evasion charges, trips for local officials paid for by Singh, and Town Attorney Leonard Genova's role in eviction proceedings at a Syosset mobile home park in which his father is an owner. "The residents

ought to know that their local government is there for them," Freier said.

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