

Former New York City jail guards union head convicted of bribery

Josh Varlin
24 August 2018

Norman Seabrook, the powerful former president of the Correction Officers' Benevolent Association (COBA), was found guilty on August 15 of charges of honest services wire fraud (i.e., bribery) and conspiracy in connection with a plot to receive a kickback from a failing hedge fund in return for investing millions in union funds. A previous trial of the former New York City jail guards' union leader ended in a hung jury.

The charges on which Seabrook was found guilty are just one facet of a sprawling investigation by the New York Police Department Internal Affairs Bureau and the Federal Bureau of Investigation that sheds light on the pervasive corruption not just in Albany, New York City and New York City law enforcement, but also in the unions, as well as the real estate and financial industries.

Seabrook wielded immense influence in New York City and New York state politics, backing Democratic and Republican politicians alike and securing legislative victories after being elected COBA president in 1995. He is also a former vice-chair of the Bronx Democratic Committee. He now faces up to 40 years in prison, but is likely to receive a much lighter sentence. According to his lawyer, Seabrook plans to appeal.

Seabrook used his power in New York politics to stymie any effort to reduce the brutalization of prisoners at the notorious Rikers Island jail complex. He used his influence in the New York City Department of Correction to force out political opponents, including Chief Investigator Florence Finkle, and had an iron grip on the COBA apparatus itself.

In 2014, the *New York Times* described how Seabrook “vigorously resisted stiffer penalties for the use of excessive force by guards and has fought stronger screening measures designed to stop correction

officers from smuggling weapons and drugs into the jails.”

In a 2013 case of 10 officers charged with beating an inmate so severely his eye sockets and nose were fractured, Seabrook said the officers were “merely defending themselves.”

Seabrook managed to secure influential committee appointments, tapped by then-President George W. Bush to serve on a federal task force on making the United States Postal Service more “efficient.”

The publicly documented facts in the investigation, detailed in an April *New York Times* article that predates Seabrook's conviction, are likely just the tip of the iceberg.

Specifically, Seabrook was convicted of funneling \$20 million in COBA funds into Platinum Partners, a hedge fund founded by Murray Huberfeld. In return, Seabrook was supposed to receive \$100,000, although he ended up receiving only \$60,000 in a designer bag. Huberfeld was Seabrook's codefendant in the trial that ended in a hung jury but has since pleaded guilty to wire fraud conspiracy. Half of the \$20 million investment was unknown to other union officials.

In the second trial, Huberfeld was allowed to plead guilty to a single charge of defrauding his hedge fund out of the \$60,000 used to pay Seabrook's bribe. While previously he had faced charges that could have resulted in a 60-year prison sentence, federal prosecutors are recommending that he spend merely six to 12 months behind bars.

The COBA hedge fund deal was brokered by the prosecution's main witness, Jona Rechnitz, who turned state's evidence after pleading guilty to honest services fraud. Rechnitz was a real estate developer who worked with Jeremy Reichberg, the NYPD's liaison to the Orthodox Jewish community who used his connections

to help his associates with police matters, receiving fees in return.

Rechnitz and Reichberg were the nexus of a corrupt network of police, union and corporate-financial figures exchanging money and favors. “Jeremy [Reichberg] would deal with more of the details, if something needed to be done, and I would be the guy to basically pay for it,” Rechnitz would later say.

The two had friendships with four NYPD deputy chiefs, most of whom have since retired or were transferred. They also had a relationship with Philip Banks III, who “was promoted in March 2013 to chief of the department, the highest uniformed position on the force,” according to the *Times*. He was also the highest ranking black NYPD official. Rechnitz and Reichberg spent time with him at least twice a month, and bought him a ring that once belonged to boxer Muhammad Ali. Their relationship with Banks helped them procure favors from other NYPD officers.

Banks and Seabrook are friends, and the two of them traveled with Reichberg and Rechnitz (at the expense of the latter two) to the Dominican Republic in December 2013. During the trip, Seabrook reportedly said to Rechnitz, “It’s time Norman Seabrook got paid.” After this trip, Rechnitz got Seabrook to invest \$20 million in COBA funds in Platinum Partners, the hedge fund of his family friend Huberfeld, in exchange for a bribe.

Banks suddenly retired on October 31, 2014, the day after a wiretap had been ordered by investigators and just before he was due for a major promotion, indicating that he may have been tipped off by an ally.

Of the original \$20 million COBA investment, \$19 million was lost as the fund collapsed and declared bankruptcy.

Seabrook’s conviction reveals the essentially corrupt nature of capitalist politics, particularly in New York, home to Boss Tweed’s Tammany Hall of the mid-nineteenth century. Of note is that the exchanging of high-priced gifts and cozy relationships between police officials and financiers are “not necessarily illegal,” according to the *Times*. Occasionally, however, these relations are so naked that they constitute bribery and threaten the legitimacy of the political set-up, and particularly egregious figures are made examples of by the ruling class—or at least there are token prosecutions.

The blatant misuse of COBA funds is not merely an aberration. Massive amounts of union funds—workers’

dues money—are invested on Wall Street. Some of these funds are used as slush funds to handsomely reward the bureaucracy, while labor-management centers provide opportunities for corporations to semi-legally funnel money to union officials. Occasionally officials enrich themselves too brazenly and directly, as in the case of Seabrook or that of Fiat Chrysler Automobiles’ bribery of United Auto Workers officials.

There are indications that the corruption in this case goes all the way to Democratic Mayor Bill de Blasio, who was elected in 2013 on the basis of phony “progressive” rhetoric about New York being a “tale of two cities,” a reference to the extreme social inequality in the home of Wall Street.

In exchange for contributions, Rechnitz and Reichberg expected access to de Blasio. They were given de Blasio’s personal cellphone number and email address, and were placed on his inaugural committee. De Blasio denies any wrongdoing and has denounced Rechnitz as a “liar.”

District Attorney Cyrus Vance, Jr., investigated several close associates of de Blasio who funneled hundreds of thousands of dollars through county committees to candidate committees, circumventing the limit on individual/union/corporate donations to candidate committees. Over \$100,000 of this election money came from Rechnitz. However, because the investigated parties followed their legal counsel, they could not be held criminally liable.

Vance ultimately said that “the facts here do not make out a provable violation of the Election Law’s criminal provisions,” although “they appear contrary to the intent and spirit of the law,” and recommended changes to the law to “avoid a similar outcome in the future.”



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact