

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

-----X

TOWN OF OYSTER BAY,

Index No.:

Plaintiff,

Date Purchased:

~~against~~

SUMMONS

LEONARD GENOVA,

Plaintiff designates Nassau County as
the place of trial of this action.

Defendant.

-----X

To the above named Defendant:

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on the Plaintiff's attorney(s) within twenty (20) days from the date of service of this summons, exclusive of the day of service (or within thirty (30) days after the service is complete, if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you for the relief demanded in the complaint.

Dated: Oyster Bay, New York
August 22, 2018

Yours, etc.,

Defendant's Address:

Leonard Genova
148 Richard Place
Massapequa Park, New York 11762


Joseph Nocella
Town Attorney
54 Audrey Avenue
Oyster Bay, New York 11771
(516) 624-6150

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

-----X

TOWN OF OYSTER BAY,

Plaintiff,

Index No.: _____

against

Date Purchased: _____

LEONARD GENOVA,

Defendant.

-----X

Plaintiff, Town of Oyster Bay (the "Town"), by its attorney, Joseph Nocella, Town Attorney, asserts claims against Defendant Leonard Genova ("Genova" or "Defendant"), and alleges as follows upon information and belief:

NATURE OF THIS CASE

1. The object of this action is to recover substantial sums of money that the Town and its residents were forced to incur due in part to the unlawful and wrongful acts of the Town's disgraced former Town Attorney, Leonard Genova. Genova was, at all times relevant to this action, the Town Attorney of the Town, and served as the chief legal officer for the Town.

2. During Genova's watch, a complex conspiracy was hatched among Harendra Singh, a former Town concessionaire ("Singh") and a former Deputy Town Attorney, Frederick E. Mei. As a result of that conspiracy, the Town has suffered monetary losses in the millions in the form of attorneys' fees to defend against litigation.

3. Despite purporting to oversee his office, Genova did not merely fail to detect the Singh/Mei conspiracy but, in fact, committed outrageous acts of gross incompetence,

malpractice, malfeasance, and gross negligence, causing the Town to incur substantial legal fees as a result of legal malpractice and stunning breaches of his fiduciary duties. Worse yet, Genova, all while neglecting his office and the Town, admitted that he accepted bribes and illegal gratuities from Singh during the periods marked by his incompetence, malpractice, malfeasance, and gross negligence.

A. Background Regarding Town Concession Facilities.

4. Starting in 2000, non-party Singh and his companies were awarded licenses to provide food and beverage services at certain Town facilities in exchange for paying license fees to the Town. As part of his agreement with the Town, Singh also promised to make valuable capital improvements to the Town's facilities at the concession locations.

5. To be lawful, each license agreement was required to be, and was, authorized by a duly adopted resolution of the Town Board of the Town of Oyster Bay (the "Town Board"). Similarly, when such licenses were amended, the Town Board adopted resolutions to authorize these amendments.

6. Separate and apart from the legitimate license agreements as described above, Singh and Mei conspired to create phony amendments that were never authorized by the Town Board and were indeed unknown to others in Town government.

i. Singh Misuses the Town Concession Licenses to Appropriate Millions.

7. Rather than acting for the benefit of the Town, however, between 2011 and 2014, Singh used his obligations to make improvements at Town facilities as a pretense for securing over \$20 million in loans from various lenders, while utilizing the proceeds of those loans to line his own pockets rather than improve Town facilities. However, the purported

guarantees were entirely fraudulent — phony agreements contrived by Singh and his co-conspirators and hidden from the Town and the Town Board.

8. That the guarantees were the product of fraud should have been obvious to anyone with even a cursory understanding of how municipalities work, particularly because such guarantees violate the New York State Constitution's express prohibition against using public money to guarantee the repayment of private debt. Nonetheless, Singh, together with others named herein, contrived to enter into unauthorized guarantee documents signed in November, 2011 and June, 2012 (collectively, the "Unauthorized Amendments"), which purported to place the Town on the hook for millions of dollars that Singh diverted for his own personal use.

ii. Singh was Aided By a Corrupt Attorney in Furtherance of his Underhanded Efforts.

9. As already set forth above, Singh acted in concert with Frederick Mei ("Mei"), then a Deputy Town Attorney, who crafted the fraudulent guarantees contained in the bogus Unauthorized Amendments. These phony Unauthorized Amendments were contrived to give the superficial appearance of Town support to the loans. Singh and Mei further purported to retain a law firm that later falsely claimed to represent the Town; procured signatures—in some cases through demonstrable forgery and trickery—in furtherance of their scheme; and contrived to make the bogus Unauthorized Amendments appear lawful and binding upon the Town.

10. Genova wholly failed to prevent some or all of Singh and Mei's acts from resulting in their intended consequences, thereby causing damage to the Town and failed to

take any action to detect this criminal conduct by his deputy, whom it was his obligation to supervise, and the outside concessionaire.

B. Singh and Mei are Indicted by the United States Government.

11. Singh's scheme came crashing down around him, Mei, and others in September 2015 when a grand jury seated in the Eastern District of New York returned a thirteen-count federal criminal indictment against Singh. Similarly, Mei was charged relating to the improper activities he undertook in furtherance of the conspiracy.¹ Both Singh and Mei have pled guilty to the charges brought by the United States Attorney for the Eastern District of New York ("USA-EDNY").

12. But Singh and Mei were not the only ones impacted by their criminal acts. The Town found itself embroiled in a legal and investigative morass, and has been left to pick up the pieces all while protecting taxpayers from the fallout of the corrupt scheme. In the years since it learned of Singh's scheme, the Town has been forced to expend millions of dollars of taxpayer money investigating relevant facts and circumstances, procuring new vendors to run the Town concessions, responding to inquiries from law enforcement agencies, and defending itself against lawsuits brought by Singh's creditors and others.

13. During the early part of the USA-EDNY investigation, Genova persistently disavowed having any involvement with the Unauthorized Amendments. Among other things, Genova emphatically maintained that the signature purporting to be his on one document was an obvious forgery. Further, Genova emphatically maintained that he had absolutely no recollection of having executed the Unauthorized Amendments even though he

¹ See *United States v. Mei*, 15-cr-429 (EDNY) (under seal).

conceded that they did in fact bear his genuine signature. Genova expressed dismay and bewilderment at how he came to sign the Unauthorized Amendments, appearing, at times, to be on the verge of tears. At other times, Genova remarked that he was “losing his career over a loan scheme [he] knew nothing about.” Genova similarly expressed the opinion that Mei was the criminal mastermind behind the scheme and characterized Mei as a “rogue attorney.”

14. In October, 2016, former Town supervisor John Venditto was charged by a grand jury with 6 counts, including, among other things, Federal program bribery and honest services wire fraud in connection with the Singh scheme. In or about November, 2017, the Government superseded the indictment, adding an additional 21 counts. On May 24, 2018, a jury returned a verdict of not guilty as to all of the counts.²

15. Genova was not arrested in connection with the Singh scheme. Rather, as described below, Genova escaped arrest and dramatically changed his tale when called to the witness stand in the *Mangano* trial. It then became clear that Genova either lied to the Town or lied to the jury and the Court, or both.

THE PARTIES

16. The Town is a municipal corporation located in Nassau County, New York.

17. The Defendant, Genova, is a resident of Massapequa Park, New York. At all times relevant to this Complaint, Genova was the Oyster Bay Town Attorney.

18. As the Town Attorney, Genova was the attorney for the Town Board and all of the Town officers in their official capacity and was the legal counsel and representative of the

² See *United States v. Mangano, et al.* 16-cr-540 (JMA) (D.E. 300).

Town Board in all proceedings, undertakings or activities in which the Town Board or the Town of Oyster Bay was concerned with or involved in.

JURISDICTION AND VENUE

19. This Court has jurisdiction over the Defendants under CPLR 301 and 302 because the Defendant is domiciled in New York.

20. Venue is proper under CPLR 503 because the Defendant is located in Nassau County, New York and/or because the wrongful acts alleged herein occurred in Nassau County, New York.

FACTUAL BACKGROUND

A. Genova Testifies in the *USA v. Mangano* Trial.

21. Notwithstanding his own negligent and unlawful conduct, Genova secured an immunity order in connection with his testimony in the *USA v. Mangano* trial in the EDNY.³ As a part of his cooperation with the USA—EDNY, Genova provided lengthy and extensive testimony at the trial regarding, among other things, the concession amendments, including the Unauthorized Amendments.

22. Genova's testimony at the Venditto trial indicates that he was wholly derelict in his duties by failing to oversee his office, by failing to exercise the level of care that any prudent Town Attorney would exercise, and that he engaged in other wrongful acts for which the Town should be compensated.

23. Among other things, Genova testified, in sum and substance, that:

³ See *United States v. Mangano*, Trial Tr. 5627 (April 30, 2018).

- a. he accepted bribes and illegal gratuities in the form of free car service (valued at over \$10,000), free meals, and discounted use of facilities from Singh in exchange for Genova “mak[ing] sure that whatever [Singh] requested we were motivated and more apt to do;”⁴
- b. he never read the Unauthorized Amendments prior to signing those documents, but nonetheless signed the Unauthorized Amendments which purported to expose the Town to millions in liabilities;⁵
- c. despite this appalling incompetence, betrayal of his obligations to the Town, and violations of the Rules of Professional Conduct, Genova failed to apprise the attorney Grievance Committee of his misconduct.⁶

24. As a direct result of Genova’s incompetence and malpractice, the Town has been forced to expend millions in legal fees to defend against meritless claims brought by the lenders involved in the transactions surrounding the Unauthorized Amendments.

CAUSES OF ACTION

AS AND FOR A FIRST CAUSE OF ACTION (Faithless Servant)

25. The Town repeats and re-alleges the foregoing allegations as though they were fully set forth here.

⁴ See *United States v. Mangano*, Trial Tr. 5847 (April 30, 2018).

⁵ See *United States v. Mangano*, Trial Tr. 5785-86, 5793-95, 5799-5800 (April 30, 2018).

⁶ See *United States v. Mangano*, Trial Tr. 6201-02 (May 2, 2018).

26. Genova was a Town employee and received bi-monthly wages from the Town during the course of his employment, including, without limitation, during the term as the Town Attorney from November, 2010 to January 9, 2017.

27. As a Town employee and the Town Attorney, Genova owed fiduciary and other duties to the Town.

28. Genova acted disloyally and adversely to the Town, including by (i) accepting bribes and illegal gratuities from Singh, (ii) executing the Unauthorized Amendments, which purported to obligate the Town in the event that Singh defaulted on his loans, even though those agreements were not duly authorized by any Resolution of the Town Board and even though they purported to obligate the Town to guarantee Singh's debts in violation of the New York State Constitution, (iii) failing to read the Unauthorized Amendments before signing those documents, and (iv) failing to perform any due diligence to confirm the undisputed fact that the Town Board never authorized the Unauthorized Amendments.

29. Genova's acts were either intentional and deliberate or the product of gross negligence and sheer incompetence.

30. The Town paid Genova an annual base salary of \$140,000.

31. The Town is entitled to damages in the amount of Genova's entire salary for the period during which he was acting incompetently, disloyally, and unethically and is further entitled to punitive damages.

AS AND FOR A SECOND CAUSE OF ACTION
(Breach of Fiduciary Duty)

32. The Town repeats and re-alleges the foregoing allegations as though they were fully set forth here.

33. As the Town Attorney and a senior Town employee, Genova owed fiduciary duties to the Town.

34. Genova breached those fiduciary duties when he (i) accepting bribes and illegal gratuities from Singh, (ii) executing, the Unauthorized Amendments which purported to obligate the Town in the event that Singh defaulted on his loans, even though those agreements were not duly authorized by any Resolution of the Town Board and even though they purported to obligate the Town to guarantee Singh's debts in violation of the New York State Constitution, (iii) failing to read documents before signing those documents, and (iv) failing to perform any due diligence to confirm the undisputed fact that the Town Board never authorized the Unauthorized Amendments.

35. As a direct and proximate result of Genova's breaches of his fiduciary duties the Town suffered pecuniary harm in an amount to be determined at trial.

AS AND FOR A THIRD CAUSE OF ACTION
(Legal Malpractice)

36. The Town repeats and re-alleges the foregoing allegations as though they were fully set forth here.

37. At all times relevant to this Complaint, Genova was the Town Attorney for the Town of Oyster Bay and, in that capacity, was the chief legal officer and owed the Town a

number of fiduciary duties, including, without limitation, a duty of loyalty and a duty to act ethically.

38. Genova was, in fact, entirely disloyal to the Town as concerns the facts and circumstances attendant to the allegations in this Complaint.

39. Genova acted in an unethical manner in violation of New York State law, the New York State Rules of Professional Conduct, and the Town of Oyster Bay Code of Ethics.

40. By virtue of the wrongful, improper, and negligent acts described herein, Genova failed to exercise that level of care, skill, and diligence commonly possessed and exercised by a member of the legal profession.

41. Genova's intentional and/or negligent conduct is the proximate cause of the actual damages sustained by the Town to date, which include substantial legal fees that would not have otherwise been incurred and expended had Genova acted as a faithful and competent attorney.

42. But for Genova's negligence, which includes executing the Unauthorized Amendments without having first read those documents or, in the alternative, executing the documents despite knowing that no Town Board resolution authorizing such execution was ever adopted, the Town would not have sustained such damages.

**AS AND FOR A FOURTH CAUSE OF ACTION
(Implied Indemnification)**

43. The Town repeats and re-alleges the foregoing allegations as though they were fully set forth here.

44. The Town has been forced to expend millions of taxpayer dollars (i) investigating the improper acts and omissions of Mei, Singh, and others, (ii) cooperating with law enforcement investigations into Mei, Singh, and others, (iii) defending itself against civil litigation claims brought by Singh's lenders, and (iv) defending itself against the U.S. Securities and Exchange Commission's civil action.

45. Genova's incompetent, wrongful, and unethical actions directly caused the expenditures outlined in this Complaint, among other expenses and damages.

46. The Town is entitled to indemnification by Genova for expenses incurred by the Town as a direct and proximate result of the Defendant's incompetent, wrongful, and unethical acts, as well as for any future damages, including any judgments that may ultimately be rendered against the Town in any civil cases arising out of the Singh scheme, including, without limitation, Singh's lenders' actions and the U.S. Securities and Exchange Commission's civil action against the Town.

**AS AND FOR A FIFTH CAUSE OF ACTION
(Contribution)**

47. The Town repeats and re-alleges the foregoing allegations as though they were fully set forth here.

48. The Town has been forced to expend millions of tax-payer dollars (i) investigating the improper acts and omissions of Mei, Singh, and others, (ii) cooperating with law enforcement investigations into Mei, Singh, and others, (iii) defending itself against civil litigation claims brought by Singh's lenders, and (iv) defending itself against the U.S. Securities and Exchange Commission's civil action.

49. Genova's incompetent, wrongful, and unethical actions directly caused the expenditures outlined in this Complaint, among other damages and expenses.

50. The Town is entitled to contribution by Genova for expenses incurred by the Town as a direct and proximate result of the Defendant's incompetent, wrongful, and unethical acts, as well as for any future damages, including any judgments that may ultimately be rendered against the Town in any civil cases arising out of the Singh scheme, including, without limitation, Singh's lenders' actions and the U.S. Securities and Exchange Commission's civil action against the Town.

WHEREFORE, Plaintiff TOWN OF OYSTER BAY respectfully demands judgment against the Defendant LEONARD GENOVA, providing the following relief:

- A. compensatory and punitive damages in amounts to be determined at trial, together with pre and post judgment interest at the maximum rate allowable by law;
- B. reasonable costs and expenses incurred in this action, including, to the extent applicable, counsel fees; and
- C. such other relief as the Court deems just and proper

Dated: Oyster Bay, New York
August 22, 2018

Yours, etc.,



Joseph Nocella
Town Attorney
54 Audrey Avenue
Oyster Bay, New York 11771
(516) 624-6150

Index No.:

TOWN OF OYSTER BAY,

Plaintiff,

~~against~~

LEONARD GENOVA,

Defendant.

SUMMONS AND COMPLAINT

JOSEPH NOCELLA

TOWN ATTORNEY

Attorneys for Town of Oyster Bay

54 Audrey Avenue

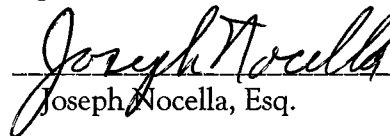
Oyster Bay, New York 11771

(516) 624-6150 (voice)

(516) 624-6196 (facsimile)

****Not for Service****

Signature (22 NYCRR § 130-1.1a)



Joseph Nocella, Esq.
