



NEWS RELEASE

United States Attorney's Office

Central District of California

For Immediate Distribution

November 28, 2006

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FORMER TREASURER OF SOUTH GATE SENTENCED TO 10 YEARS IN FEDERAL PRISON IN CORRUPTION CASE THAT COST CITY TENS OF MILLIONS OF DOLLARS

Albert T. Robles, the former treasurer of South Gate, California who once called the city his “fiefdom,” was sentenced today to 10 years in federal prison for his conviction last year on 30 federal charges related to a scheme in which he extorted city contractors in exchange for using his influence to steer projects to those paying bribes that totaled more than \$1.4 million.

After issuing the sentence, United States District Judge Stephen V. Wilson remanded Robles into custody. In addition to the prison term, Judge Wilson ordered the defendant to pay \$639,000 in restitution to South Gate.

In July 2005, a federal jury in Los Angeles found that Robles, 41, was guilty of 16 counts of mail fraud, five counts of wire fraud, four counts of money laundering and five counts of bribery. The evidence presented during a 2½-week trial showed that the citizens of South Gate were defrauded out of their right to Robles’ “honest services” in a scheme that cost the city, by its account, more than \$35 million and led to payments of more than \$1.4 million to Robles, his family and his friends. The jury found that Robles was involved in schemes to fraudulently award three contracts: a \$24 million project to build senior housing, a \$4 million sewer rehabilitation contract and a \$48 million trash-hauling contract.

A second man convicted at trial, George Garrido, was sentenced today to

51 months in federal prison. Garrido, 54, received a lucrative consulting contract with a trash hauler in exchange for the city awarding a 10-year contract. Convicted at trial along with Robles, Garrido was found guilty of five counts of mail fraud.

“With today’s lengthy sentences, the court has acknowledged the severe impact of one man’s power grab,” said Acting United States Attorney George S. Cardona. “Entrusted by the citizens of South Gate with a position in which he was supposed to protect their interests, Robles instead used the city as a private piggy bank for himself, his family and his friends. He becomes the latest politician to learn that such an abuse of a position of trust will lead directly to prison.”

J. Stephen Tidwell, Assistant Director in Charge of the FBI in Los Angeles, said: “The punishment imposed today on Mr. Robles and his cohorts is testament to the consequences one faces by using an official position for personal gain. Mr. Robles and his associates took advantage of the constituents they were chosen to represent, and today’s sentence ensures that their corrupt practices no longer continue.”

Debra D. King, Special Agent in Charge of IRS-Criminal Investigation in Los Angeles, stated: “Public corruption erodes the trust that citizens place in their government officials. The sentencing of Albert Robles for his failure to render ‘honest services’ to the people of the City of South Gate, for defrauding the city, and for personally benefitting from the receipt of \$1.4 million in payments to himself, to his family, and to his friends, sends a clear message that corruption will not be tolerated. IRS-Criminal Investigation is a committed partner in law enforcement’s ongoing endeavor to investigate and prosecute corruption among public officials.”

Two men who pleaded guilty in the case were also sentenced today. Edward T. Espinoza, 52, of Summit, New Jersey, a financial consultant who Robles used to funnel city money to himself, his family and friends, was sentenced to 10 months in prison, which will be followed by six months of home detention. Michael Klistoff, 43, of Seal Beach, California, an official of Klistoff & Sons and All City Services, two now-defunct waste-hauling companies, was sentenced to six months in prison, to be followed by six months of home detention.

Robles, who referred to himself as the "King of South Gate," induced several businesses hoping to receive city contracts and other benefits to hire Espinoza as a "consultant." Espinoza created a shell corporation, called EM Ventures, to receive city monies and funnel payments to Robles' family and friends. At trial, Espinoza testified that Robles demanded half of the money Espinoza received from the do-nothing consulting contracts. The companies induced by Robles to hire Espinoza were the "Southland Companies," a collection of companies that had development projects in South Gate, including three senior housing projects; and Psomas, a consulting firm that was hired to manage a sewer rehabilitation project in South Gate. None of the companies were accused of wrongdoing.

As a result of this part of the scheme, a total of \$2,156,606 was paid to Espinoza. In turn, Espinoza, through EM Ventures, paid \$1.4 million for the benefit of Robles, his family and his friends. The payments from Espinoza to Robles included \$165,000 that went toward the purchase of a beachfront condominium in Baja California and a \$55,000 payment for a "platinum" membership for Robles in a self-help motivational organization.

The second part of the scheme involved the award of South Gate's \$48 million refuse and recycling contract to Klistoff & Sons in exchange for more than \$30,000 in gifts to Robles and campaign contributions to Robles' committee, Citizens for Good Government. In exchange for Robles steering the contract to Klistoff, Garrido received a 10-year, \$3.5 million consulting contract from Klistoff & Sons.

This case is the result of an investigation by the Federal Bureau of Investigation and IRS-Criminal Investigation Division.

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