



U.S. Department of Justice

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EVENT: Guilty Plea

Defendant: Efstathios Louis Pavledes

**Former Director of Cobo Pleads Guilty to Structuring
\$97,940 in Bribe Payments to Avoid Reporting Requirements**

Efstathios Louis Pavledes, age 54, a resident of Allentown, PA, and the former Director of the City of Detroit's Cobo Civic Center, pled guilty today to structuring \$97,940 in bribe payments in order to evade federal currency transaction reporting requirements, Stephen J. Murphy, United States Attorney, Eastern District of Michigan, announced today.

Mr. Murphy was joined in the announcement by Special Agent in Charge Andrew G. Arena, Federal Bureau of Investigation and Special Agent in Charge Maurice Aouate, Internal Revenue Service, Criminal Investigation.

United States District Judge Marianne O. Battani accepted Pavledes's guilty plea in federal court in Detroit.

According to the plea agreement and other court records, in January 2003, while Pavledes was serving as Director of the Cobo Civic Center, he accepted an illegal payment of about \$100,000 in cash from a contractor in connection with Pavledes's performance of his

duties. Between January 13 and January 28, 2003, defendant deposited \$97,940 of this money in his personal bank account at Standard Federal Bank, N.A. (now LaSalle Bank). Pavledes understood that the bank was required under federal law to report currency transactions of \$10,000 or more to the U.S. Treasury Department. In order to evade this reporting requirement, Pavledes broke up the deposits into a series of ten structured deposits at the bank, each totaling slightly less than \$10,000.

Pavledes was released on bond pending his sentencing. He faces a statutory maximum sentence of up to five years in prison, with an advisory Sentencing Guidelines range of 18 to 24 months. The government agreed that in exchange for Pavledes's cooperation in the investigation and prosecution of others engaged in criminal activity, the government would recommend a sentence of 11 months in prison.

United States Attorney Stephen J. Murphy said, "This conviction underscores the commitment of this office to weed out and punish corruption and misuse of public resources at all levels of government. We are pleased that Mr. Pavledes has agreed to accept responsibility for his misconduct and to assist the government in its investigation of others engaged in corrupt activities."

FBI Special Agent in Charge Arena said, "Public corruption is a high priority for the FBI. Individuals in public positions, both elected and appointed, who accept bribes will be held accountable for betraying public trust."

IRS Special Agent in Charge Aouate said, " Structuring, a crime of greed, is an avenue used by individuals to conceal the true source of their illegal activities," said Aouate. "This is a very serious offense and IRS Criminal Investigation will continue to track the flow of any illegal payments, holding those individuals accountable."

This case is being investigated by special agents of the Federal Bureau of Investigation and Internal Revenue Service, Criminal Investigation. The case is being prosecuted by Assistant United States Attorneys Michael Bullotta and Mark Chutkow.