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Wall Streeters hope Sen. Kirsten Gillibrand (D-N.Y.) pays a bit more attention to them than she was at this particular moment yesterday at a Senate committee meeting in Washington on financial reform. Photo by Elisa Miller

## Traders banking on Gilli to shield them

**BY MICHAEL McAULIFF**  
DAILY NEWS WASHINGTON BUREAU  
WASHINGTON — Wall Street will have to wait to see if home state Sen. Kirsten Gillibrand will come to the rescue.

New York's junior senator floated a measure yesterday to shield a major piece of Wall Street business from financial reform legislation. But then she backed off and voted for a bill some contend will harm the city's top industry.

The bill passed by Senate Agriculture Committee Democrats — with one GOP vote — would require all financial institutions to trade the risky and volatile financial instruments known as derivatives on open exchanges.

It would also bar institutions

that get federal government help from dealing in the assets that turned so toxic two years ago. That could cost Wall Street's big operators trillions in business.

Mayor Bloomberg opposes such moves, and Gillibrand filed an amendment to water down the ban. It would have called for a study and allowed a new federal "Systemic Risk Council" to decide later whether to implement the ban.

Gillibrand hailed the committee's approval of the overall measure. "New, tough and smart reforms that protect consumers and taxpayers by increasing ac-

countability and transparency will ensure that New York remains the financial center of the world," she said.

But Gillibrand did not explain why she didn't push her Wall Street-protecting measure. A spokesman said she was still weighing whether to offer it later.

However, sources suggested she may never need to, since other powerful Democrats will likely strip the ban from the bill before it becomes law.

Gillibrand wasn't alone in being ambiguous about the measure. A spokesman for Sen. Chuck Schumer said only that the senior New York senator favors melding the Agriculture Committee bill with a bill passed by the Banking Committee.

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## Mom & 3 kids, pol's son in Qns. drug bust

**BY THOMAS ZAMBITO**  
DAILY NEWS STAFF WRITER

DISGRACED LABOR leader Brian McLaughlin's son and dozens of others were busted in a takedown of a sprawling network of pill-pushers working out of a Queens gay club.

The defendants — including a mother and her two sons and 16-year-old daughter, a club owner and a bartender — dealt in prescription painkillers like Vicodin and Oxycodone and street drugs like Ecstasy and pot.

Robert McLaughlin, 26, faces nine years in prison for allegedly selling pharmaceuticals out of his Sunnyside apartment.

Brian McLaughlin, 57, is serving 10 years for stealing \$3.1 million from Little Leaguers, law-makers and his own union while a Queens assemblyman.

His son was snared in a two-year NYPD probe of two loose-knit drug rings that sold mountains of pills prized by partyers — including the animal tranquilizer Ketamine, the stimulant Adderall and heroin substitute Suboxone.

"Drugs such as Vicodin and Oxycodone are extremely potent and have a high potential for abuse and death," said Queens District Attorney Richard Brown.

Those nabbed include Kathleen Olsen, 56, of Whitestone, who allowed her son Christo-

pher, 26, to use their home as a base to sell Xanax and other prescription pills.

Also arrested were Olsen's younger son, Sean, 23, and a 16-year-old daughter, Elizabeth.

The family had ties to a second drug-dealing cabal run by Hi Kim, who allegedly sold thousands of pills to undercover cops working on "Operation Bad Medicine."

Kim, in turn, was linked to the owner of the Mix Cafe & Lounge, a popular gay bar in Astoria that was being used as a staging ground for drug buys, officials said.

The owner, Javier Leon, 42, is accused of selling a cop \$1,400 worth of cocaine and 80 Vicodin pills at his Long Island City apartment last year.

Bartender Stefan Sweeting, 27, sold undercover officers Ecstasy and pot on four occasions over the past two years, prosecutors say.

Search warrants at various locations turned up three loaded handguns, a large stash of marijuana, thousands of pills and \$20,000 in cash.

"The combination of drugs and guns is a clear prescription for violence," said Police Commissioner Raymond Kelly.

Robert McLaughlin is expected to appear in Queens Supreme Court for an arraignment today.

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## EPA: Too costly to enforce PCB laws, so change 'em

**BY BILLEGBERT**  
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THE ENVIRONMENTAL Protection Agency might scrap a 30-year-old safety standard because it's likely too expensive to enforce in schools, the Daily News has learned.

Just months after the agency ordered the city education department to study the risk of toxin exposure to students, the EPA has scheduled a hearing to change the amount of polychlorinated biphenyls (PCBs) allowed in caulking.

PCBs, known to cause cancer and birth defects, were routinely used in caulking before they were banned for most uses in 1979. Since then, anything with more than 50 parts-per-million has been considered toxic.

A 2008 News investigation found PCB levels as high as 225,000 ppm in the caulk of several public schools. The city's own tests have since found levels more than twice that high.

The EPA is now seeking comment at a May 4 hearing on changing that standard "given the recent

realization that the use of PCBs in caulk may be widespread and may be an undue burden for schools if the exclusion continues at 50 ppm," according to the April 7 Federal Register.

The agency claims that the 50 ppm standard was "based almost entirely on economic considerations" even when it was created, not "traditional exposure and risk assessment calculations." But critics say the EPA shouldn't repeat that mistake.

"The EPA is trying to dilute the standards before we even have the results from the study here in New York," said Assemblywoman Linda Rosenthal (D-Upper West Side).

In January, the EPA reached a settlement with the Department of Education requiring the city to do a pilot study of the exposure risk to students in five schools with PCB-contaminated caulk.

EPA spokesman Dale Kemery said that the agency will "review the results of the New York City study as part of our consideration."

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