

## Will Albany's Scandals Lead To Reform?

by Rachel Leon

Monday, March 24, 2003 12:00 AM

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Recently New York State's lobbying commission issued the largest fine to a corporation in state history. The Correctional Services Corporation, a company that has received some \$20 million in state contracts since 1992, was fined \$300,000 for giving gifts to Albany law makers, including free van rides to Albany, meals, flowers, candy and even cell phones - totaling some \$2,000 a month. Among the New York City representatives under [investigation](#) for allegedly accepting the gifts are former Bronx Assemblymember Gloria Davis (who recently pled guilty to bribery charges), Brooklyn Assemblymember Roger Green and former State Senator (now New York City Councilmember) Larry Seabrook.

The fine, while significant and a sign that the lobby commission is serious about enforcing its laws, will not halt corruption in the state capital.

The Legislative Ethics Committee is not expected to do anything to discipline the lawmakers who took the gifts. In the 14 years since the ethics committee was formed, it has never brought charges against an incumbent politician.

It is also clear that the recent scandals are not isolated incidents. Albany has a culture of secrecy and insider politics and New York State lacks basic and necessary laws that would curtail unethical behavior in government. Even Governor George Pataki's administration is currently under investigation. The governor's former labor commissioner, James McGowan, has been indicted (and pled not guilty to charges) for allegedly taking thousands of dollars in bribes from a friend and business acquaintance who was seeking state grants.

And conduct that is dishonest and undemocratic - but still perfectly legal - is commonplace, and it often is as shocking as headline-making illegal activities.

However, change is still possible in Albany.

The first step is to strengthen New York State's notoriously weak campaign finance laws.

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Albany, unlike the city and the federal governments, has no ban on corporate contributions for state offices. And it shows. Corporate contributions of up to \$5,000 are allowed under the law, and even this limit is routinely ignored and circumvented by companies that give money via their executives or subsidiaries.

Corporations, trade groups and other special interests also use a loophole to avoid contribution limits; money is given directly to state parties' rather than individual candidates, and can be given in unlimited amounts in New York State. Corporations and special interests routinely make contributions worth tens of thousands of dollars to both parties.

In the case of gifts to lawmakers, New York State law sets a \$75 limit on gifts from lobbyists to politicians, but the executive and legislative branches of state government disagree on the interpretation of this law. The executive says it is \$75 a year, but the State Legislature interprets this to mean a \$75 limit per instance.

In 1987, after a series of corruption scandals rocked New York State government, Governor Mario Cuomo established a commission that recommended a long list of needed reforms to the campaign finance system as well as ethics and the electoral process. These proposals have been ignored for over a decade.

Our state government is fueled by a culture where campaign contributions frequently lead to government contracts.

Last fall, research by [Common Cause](#), the organization I work for, showed that most of the \$340 million in Liberty Bonds approved for the rebuilding of Lower Manhattan was awarded to major campaign contributors at the state and local levels. The New York State Housing Finance Agency approved \$100 million in tax-free bonds to be awarded to each of three luxury housing projects. Two of the developers of the projects, Glenwood Management and The Related Companies, together had donated over \$458,000 in campaign contributions to candidates at the state level and \$221,000 at the city level.

In another telling example, in 1997 the Silverite Construction Company was on the verge of losing in a competitive bid for a \$100 million government contract to repair a tunnel in New York City. According to media accounts, Silverite was able to revamp its bid and win the contract

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after making campaign donations to key Republican campaign accounts.

This year, Albany could make a decision to change all of this.

Both houses of the legislature and Governor George Pataki have introduced bills addressing these issues. But as is common in Albany, bills that only have the support of one house provide cover for politicians but frequently languish and never pass because our lawmakers won't sit down and work out a compromise.

New Yorkers must keep the pressure on lawmakers, demanding that they form a conference committee to work out differences between the bills and vote on the final proposal.

Citizens should demand openness and honesty in government including:

- Ban on gifts from lobbyists to lawmakers and other top policymakers
- Ban on lawmakers accepting honoraria
- Creation of a new, independent ethics oversight agency for both the executive and legislative branches
- Expansion of the lobbying commission's jurisdiction to oversee all lobbying of state agencies
- Establishment of a full one year "cooling off
- period for all legislative staffers and top party officials, so that none can immediately cash in on political contacts by lobbying their former colleagues
- Dramatic changes to New York's campaign financing system by banning soft money, lowering contribution limits, boosting disclosure and enforcement, and creating a voluntary system of public financing for candidates for state offices

Albany's corrupt culture leaves its mark on countless New York issues, from criminal justice, to health care, to labor, to housing, to schools. Now more than ever, as we face unprecedented fiscal challenges both in Albany and New York City, we need accountable government.

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the worse.