

# Albany criticized for lack of ethics reform as session ends

July 2, 2017 By Michael Gormley [michael.gormley@newsday.com](mailto:michael.gormley@newsday.com)



New York state senators work in the Senate Chamber at the Capitol in Albany on the regular session's final day on Wednesday, June 21, 2017. (Credit: AP / Hans Pennink)

ALBANY — The chaotic final days of the 2017 legislative session failed to address new ethics legislation and killed a procurement reform measure prompted by a federal probe into allegations of bid-rigging and influence-peddling in some of Gov. Andrew M. Cuomo's biggest economic development projects.

"Response from Governor Cuomo, Sen. [Majority Leader John] Flanagan and Speaker [Carl] Heastie to largest bid-rigging scandal in state history: NOTHING," charged a coalition of good-government groups on June 22, the day after the regular session ended.

Cuomo blamed lawmakers for failure to adopt more ethics reforms in the regular session that ended June 21. He didn't include procurement or ethics measures in the special session he called for a week later and for which he set the agenda.

"That is disappointing," Cuomo said after the regular session closed. "They say, 'I don't want to try again because it will never be enough.'"

It was Cuomo, however, who fought the legislature's procurement reform bill, which would have restored independent oversight over Cuomo's contracting and economic development projects. Newsday reported in October that Cuomo's Buffalo Billion project and others in Onondaga County are under federal investigation.

The U.S. attorney's office in Manhattan has accused two longtime associates and former aides to Cuomo as well as developers who are among Cuomo's biggest campaign contributors in the probe. Cuomo isn't accused of

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wrongdoing.

The procurement proposal, however, was dropped from negotiations with at least two days remaining before the session ended, according to Sen. Jeff Klein (D-Bronx), who was in the room.

“He was dead-set against it,” Senate Deputy Majority Leader John DeFrancisco (R-Syracuse) said of Cuomo’s view of the procurement oversight measure the senator sponsored. “He thinks he should have some type of independent inspector general to review his work and an inspector general he appoints. That seems a little odd to me.”

State Comptroller Thomas DiNapoli, a Democrat, called lack of a new procurement law “a missed opportunity to protect taxpayers’ dollars and prevent corruption.”

The ethics proposals include eliminating the “LLC loophole.” Corporations can avoid the \$5,000 corporate limit by creating limited liability corporations that are allowed to contribute more than \$60,000, and one corporation can create many LLCs.

Another longtime proposal would restrict contributions to “housekeeping accounts” to political parties that have drawn millions of dollars in contributions that are supposed to be used for operations, but the definition is broad and the use of the donations isn’t closely enforced, advocates argue.

Legislative leaders said they tried to arrive at agreement on procurement reform and ethics.

“It’s not as simple as the so-called ‘good government’ groups make it sound when they are taking their shots from the cheap seats at those who are actually in the arena,” said Senate GOP spokesman Scott Reif.

The Assembly didn’t respond to a request for comment.

“I don’t think the comptroller’s office is the place you go to for investigative work,” Cuomo told reporters the day after the regular session ended. “It’s not what they do, they are auditors.”

He then told reporters that another scandal, this one involving the state pension fund operated by DiNapoli’s office, was “probably the greatest scandal in the state this year.” In that case, a former state pension manager is accused of taking bribes in a scheme that involved cocaine, strippers and prostitutes to steer \$2 billion in investments to Wall Street broker-dealers. A second worker in DiNapoli’s office was also fired.

Cuomo noted that he has proposed ethics reforms every year, and achieved many of them that focused on greater transparency and financial reporting of outside income.

“It would be silly to say we’re going to be able to work out every issue . . . that’s what makes politics,” Cuomo said. “I am very proud with the session, overall, and what we got done,” he said.

But good government groups were critical of the lack of action on ethics and procurement. “State government just squandered its opportunity to restore public confidence to the procurement process,” said David Friedfel of the independent Citizens Budget Commission. “There is no excuse for inaction after an \$800 million bid-rigging scandal.”

“This is a pathetic excuse for governing and an insult to the millions of New Yorkers who expect a basic level of competency,” said Susan Lerner, executive director of Common Cause New York.

Gerald Benjamin, a distinguished professor of political science at the State University of New

York at New Paltz, said the end of session shows the need for a constitutional convention to change how Albany operates. New Yorkers will face that choice in the November ballot when they can authorize the electing of delegates to change the state constitution.

Lack of reform of “ethics shows that politicians in office cannot or will not sufficiently regulate themselves,” Benjamin said.

Several legislators agreed in their closing statements on the legislative session that ended Thursday.

“We also have not done anything about ethics reform, which all of us know is needed,” said Sen. James Sanders Jr. (D-Jamaica) on the Senate floor.

[< back to article](#)