



Published in the

# THE BUFFALO NEWS

## Cuomo's Blind Trust, Get-It-Done Style May Have Set Stage for Pay-To-Play Schemes

By Tom Precious

September 24, 2016

In the dust left behind by U.S. Preet Bharara's corruption allegations against people close to Gov. Andrew M. Cuomo, a searing, yet unanswered question remains: How?

How could Cuomo, the most hands-on, detailed-oriented governor in recent memory, have been unaware of far ranging pay-to-play schemes across the state involving three top or former aides, including perhaps his most trusted adviser?

In his six years as governor, Cuomo has honed an image as a proactive chief executive who gets directly involved in everything from emergency weather response to designs of the Tappan Zee bridge project. He has speech writers, yet he usually speaks without notes. He makes early morning phone calls to aides and others, demanding information or action, a tradition his father, Mario Cuomo, employed when he was governor.

In 2010, the artist working on a limited edition poster for Cuomo's first gubernatorial campaign found himself with a helper bee in making alterations to the design: Cuomo.

So how could Cuomo not know about the several schemes that Bharara outlined Thursday?

Two possible answers arise.

First, Cuomo has a penchant for reliance on a very small circle of trusted advisers.

"That system relies on an honor system, and when it doesn't work, it blows up. And that's what's happened," said Blair Horner of the New York Public Interest Research Group.

Second, the governor also has a penchant for getting things done, and as a result sometimes due diligence doesn't get done. That get-it-done-now style has sometimes emasculated the roles of others – through executive orders or with the backing of lawmakers. In his first year as governor, Cuomo got passed a law that removed state comptroller oversight of contracts through the state SUNY system, which led to less scrutiny of the RiverBend project.

Bharara was clear Thursday that Cuomo was not a part of the criminal complaint that was unsealed that day. Yet, Bharara also made clear his probe continues.

Now Cuomo, who came into the governor's office presenting himself as standard bearer for higher ethics is being questioned about his judgments about people and policy.



Published in the

# THE BUFFALO NEWS

## Judgment in people

Of the nine people accused last week of being involved in various pay-to-play schemes across the state, Joseph Percoco was in Cuomo's inner circle of closest friends and advisers for much of the past 25 years.

Prosecutors' descriptions of Percoco as Cuomo's "right-hand man" almost didn't do justice of the services Percoco has been called upon to perform for Cuomo over the years. He has fixed problems, whether political or governmental, mended Cuomo's political wounds during an earlier failed run for governor and wooed groups, donors and legislators to Cuomo's side. He was the person who picked up the phone to yell at one staffer for "disloyalty" for trying to leave the administration.

In the words of one Albany source, Percoco on more than one occasion berated people with a line: "You're embarrassing the governor."

So, how, given the closeness of the two men was Cuomo so much in the dark about what was going on so close to him?

At first, Cuomo dismissed the notion that all the people accused were his top lieutenants. Not all were. But several have known Cuomo for years, like Percoco and Todd Howe. Another – SUNY Polytechnic Institute President Alain Kaloyeros – was his point person for major upstate job creation projects.

"No, I had no idea about anything that was contained in that complaint," Cuomo said flatly of the federal allegations.

Documents outlining the allegations do not say Cuomo had a role in the selection process of LPCiminelli or COR Development, a Syracuse company chosen for projects in Central New York. But the documents do talk about CEO Louis Ciminelli's large campaign donations to Cuomo that were made at about the time decisions were made in Albany about the Buffalo Billion contracts. Prosecutors said donations by the Syracuse and Buffalo developers were "intended at least in part to develop a relationship with the Office of the Governor that would enable the Syracuse developer and the Buffalo developer to obtain state-funded development contracts."

In one passage of the complaint, Howe encouraged the Syracuse developer to give big to Cuomo "so that the governor's office would know and remember them."

In another case, Percoco was angry with Ciminelli that a well-timed Buffalo fundraiser for Cuomo – when his Buffalo Billion bid was under consideration – was going to come in far short what Ciminelli promised for the Cuomo campaign; all was fine, the papers suggest, when the November 2013 evening hit the \$250,000 mark.

## Was speed a contributing factor?



Published in the

# THE BUFFALO NEWS

A person involved in the Buffalo Billion contract process said last year that the Cuomo administration did not want the RiverBend project stalled.

That has been a consistent theme of the Cuomo's administration. He has railed against a lack of progress by previous governors on major projects around the state. For Cuomo, talk equals delay. He honed an image as a doer.

In June 2012, after an ugly battle with Canadian officials over the pace of projects at the Peace Bridge, Cuomo pushed ahead with a plan for a new bridge plaza on the American side.

"The time for the Peace Bridge is long overdue, and I'm going to pursue it very aggressively," Cuomo said then.

In 2014, he took credit for a new Tappan Zee Bridge that was "rising after 20 years of talking." But he was criticized for moving so quickly that the project to build the replacement bridge over the Hudson River between Rockland and Westchester counties did not have a plan to fully fund the \$3.9 billion.

And at a LaGuardia Airport project event in June, he said: "We are going to take on the big projects, we are going to take on the gutsy projects and we are going to do it and we are going to do it quickly."

Seeds for the problems in the bidding process at RiverBend may have been sown in 2011, when Cuomo got passed legislation gutting the state comptroller's ability to pre-approve many State University of New York construction projects.

So when the Buffalo Billion came along, state Comptroller Thomas DiNapoli's hands were tied, the comptroller's office noted, That's because the bidding was run through a not-for-profit entity called Fort Schuyler Management Corp., which is tied to SUNY, and the comptroller does not have legal authority to pre-approve contracts by private not-for-profits.

DiNapoli declined comment Friday.

Carol Kellermann, president of the Citizens Budget Commission, a private group that monitors state financing, condemned the changes in 2011 that weakened the comptroller's oversight abilities.

More broadly, though, she said the state needs to turn away from pick-and-choose type developments, like the Buffalo Billion, to programs that have clearly established funding and eligibility criteria, are set in state law and have maximum dollar amounts for funding recipients.

"You can't really judge whether it makes sense or not," she said of funding for programs like the Buffalo Billion, "and you don't know what's going on behind the scenes," Kellermann said.



Published in the

# THE BUFFALO NEWS

A day after Bharara's charges were made public over the Buffalo Billion and other state programs, Kellermann said another thing is clear: "It is probably the case that subsidiaries of SUNY should not be exempted from submitting high-dollar contracts to the comptroller for prior review."

## Cuomo's anti-corruption image

Unanswered is how the scandal affects Cuomo's ability to present himself as standard bearer for high ethics.

"You have nothing without trust," Cuomo said at his 2011 inaugural. "And we are not going to back it up until we clean up Albany and there's real transparency and real disclosure and real accountability and real ethics and real ethics enforcement. That's what the people have voted for. That's what the people deserve."

Ever since, Cuomo has used the ethical dividing line to portray himself as a public servant different than the rest of Albany. And over the past six- years, state lawmakers have been the focus of ethical transgressions.

A month after the convictions last year of former Assembly Speaker Sheldon Silver and former Senate Majority Leader Dean Skelos, Cuomo told lawmakers of their ethical responsibilities.

"We have to remember the people we serve and it's our responsibility to give them the government that they deserve," he said in his 2016 State of the State address.

Now, Bharara noted Thursday the spread of scandal to the executive branch of government.

"It turns out that the state Legislature does not have any kind of monopoly on crass corruption in New York," Bharara said in announcing federal criminal charges against the nine individuals.

In Buffalo Friday, Cuomo found himself facing a barrage of questions from reporters about his knowledge of the pay-to-play scandals.

"It's pretty clear that the white knight is covered in mud, and there's an old saying about people in glass houses shouldn't be casting stones," said Horner of the New York Public Interest Research Group.

Horner and groups like Common Cause have criticized the governor for not pushing harder to improve New York's ethics, campaign finance and redistricting laws.

"The governor rode in on his white horse six years ago saying he was going to clean up Albany. It turns out he has to clean up his own stables."