

Sections

Gifts to lawmakers' legal funds undisclosed

Firm at center of Skelos, Silver cases gave Bruno defense
\$200,000

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Photo: SKIP DICKSTEIN

Former Senate Majority Leader Joe Bruno returns to Federal Court with his son Ken Bruno, right, today May 5, 2014 for as jury selection gets underway for his new trial in Albany, N.Y. Bruno entered the courthouse saying only that he was "tired". (Skip Dickstein / Times Union)

During the recent trial of former Senate Majority Leader [Dean Skelos](#), federal prosecutors presented a 54-page document itemizing millions in political spending by real estate giant [Glenwood Management](#), sums that had been parceled out through more than 20 limited liability companies.

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Buried in the document were two payments from Glenwood totaling \$200,000 that went not to a campaign fund, but to former Senate Majority Leader [Joseph L. Bruno](#)'s legal defense fund ahead of his 2009 trial.

Unlike campaign contributions — which are publicly disclosed online via the state [Board of Elections](#) — Glenwood's donations to help Bruno fight off federal corruption charges likely would have never come to light if not for Southern District U.S. Attorney [Preet Bharara](#), whose office presented the confidential documents during the course of the Skelos case. Glenwood's machinations were at the center of the trials of Skelos as well as ex-Assembly Speaker [Sheldon Silver](#), who was convicted in a separate trial in late November.

Lawmakers in legal trouble can take uncapped, undisclosed donations for their legal defense. That anonymity was touted by Bruno's supporters in a 2009 letter soliciting contributions for the nonprofit [Joseph L. Bruno Legal Defense Fund](#): "All contributions will be kept private and are not reported publicly," it read in part.

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Skelos
was
Bruno's

successor as Republican leader. Unidentified supporters set up a "[Skelos Family Legal Defense Fund](#)" in an effort to fight off federal corruption charges against the lawmaker and his son, Adam. Like Bruno's fund, the Skelos' defense effort did not have to publicly disclose its donors. Both Skeloses were ultimately convicted on all counts earlier this month, ejecting Dean Skelos from his seat. He was forced out as Senate Republican leader in May.

Blair Horner, legislative director of the [New York Public Interest Research Group](#), said state law should be changed to at least require a sitting lawmaker to disclose who is funding his or her legal defense.

"It should be the obligation of an elected official to disclose the sources behind these kinds of slush funds, in this case legal defense," Horner said.

But lines may be blurry even for those that don't hold office.

Bruno declined to run for reelection in 2008, as he and his private consulting business were under the gaze of federal investigators. That meant that when the Glenwood donations to his legal defense fund arrived in the wake of his indictment in early 2009, Bruno was a private citizen.

Still, Horner said, "Sen. Bruno was very popular with his colleagues in his (former) conference, who I'm sure were happy to see donations to [Joe Bruno's](#) legal defense."

Glenwood has relied on the Senate Republican conference as a bulwark for several key issues it has before the Legislature, including a lucrative tax break given in exchange for the building of affordable housing.

Bruno was convicted on two felony fraud charges in late 2009, but vowed to appeal. A January 2010 fundraiser for his legal fund at [The Desmond Hotel](#) in Colonie featured bankers, lobbyists and business leaders. The crowd included [Independence Party](#) Chairman [Frank MacKay](#); [James Barba](#), head of [Albany Medical Center](#); and [John Nigro](#), a commercial real estate developer. Attendees said at the time they had come to support a dedicated public servant with a distinguished career.

Bruno's conviction was eventually thrown out in light of a subsequent U.S. Supreme Court decision that amended the federal "honest services" statute. He was acquitted following a second trial in 2014.

NYPIRG's Horner argued that if a former lawmaker is reimbursed by taxpayers for the cost of a successful legal defense — Bruno was repaid \$1.8 million following his 2014 acquittal — the donors behind the legal defense should be publicly disclosed.

[David Grandreau](#), the state's former top lobbying regulator and now a compliance attorney, noted that sitting lawmakers are already subject to a "gift ban." A donation to a lawmaker's legal defense fund might well apply for current legislators.

"Once again, it comes down to how deeply enforcement agencies want to look at these things," Grandreau said.

The law states that the gift ban applies unless it is unreasonable to "infer that the gift was intended to influence" an elected official.

Of course, the donations to a defense fund are not publicly disclosed, so it would be difficult for the public to flag such a conflict of interest.

Similar questions may also apply in other aspects of the legal system, including one that touched Silver, who ruled the Assembly for two decades.

In a March article, investigative reporter [Wayne Barrett](#) noted that [William Rapfogel](#), a close ally of Silver who had pleaded guilty in a social services nonprofit embezzlement scheme, was able to pay the bulk of \$3 million in restitution through a fund whose donors were

shrouded in secrecy.

At the time of that fundraising effort, Silver was still speaker, and his chief of staff was Rapfogel's wife, Judy — powerful allies that might entice donors' giving to the Rapfogel fund.

The state attorney general's office can push to require the disclosure of donors in restitution agreements. But it would have to be part of an overall negotiation — and would be unlikely to be a top priority in many cases.

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