

New York and New Jersey scandals highlight corruption across political establishment

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The criminal charges announced against nine defendants last week, including high-ranking figures in the administration of Democratic Governor Andrew Cuomo, are a major blow to the New York governor. Three of the nine defendants are close associates of Cuomo, and the others are leaders of construction and energy firms that have donated heavily to his political campaigns.

The 80-page complaint released by US Attorney Preet Bharara describes two related schemes involving bribery, bid-rigging and extortion in connection with major upstate economic development projects, including the “Buffalo Billion” stimulus plan touted by Cuomo as making possible the economic recovery of the city on the shores of Lake Erie that has been devastated by deindustrialization over the past four decades.

One of the figures at the very center of the corruption charges is Joseph Percoco, the former executive deputy secretary to Cuomo, a close friend for at least 20 years, who was known as Cuomo’s enforcer and was at his side on an almost daily basis until he left his post earlier this year. Percoco was hired at the age of 19 by then-Governor Mario Cuomo, the father of the current chief executive in Albany. He was considered so close to the family that Andrew Cuomo, speaking at his father’s funeral this past January, called him “my father’s third son.”

The announcement of charges in the wide-ranging New York scandal, after an investigation lasting more than one year, came in the midst of sensational testimony in the trial of close aides to Republican Governor Chris Christie in the neighboring state of New Jersey.

The trial, in connection with the closing of four lanes to the George Washington Bridge over a four-day

period in September 2013, comes three years after the scandal first surfaced. The lane closing operation, which led to traffic chaos, was designed to punish the mayor of Fort Lee, on the New Jersey side of the bridge, for his refusal to back Christie’s re-election campaign. The scandal became known as “Bridgegate” when it began to unravel some months later.

The juxtaposition of the New Jersey trial and the New York complaint dramatically underlines the bipartisan character of corruption within the big business political establishment. It should also be noted that both Christie and Cuomo came to their current jobs swearing to clean up corruption. Christie was appointed US Attorney for New Jersey in 2002, and quickly became known for his demagogic law-and-order rhetoric and high-profile corruption cases. Cuomo was New York State Attorney General before his run for governor in 2010, and used his “anti-corruption” credentials to argue that he would have zero tolerance for the notorious fraud and dishonesty in the state government.

Cuomo is now in the closing months of his sixth year in office, and this past year has seen the corruption convictions of both the top Democrat and the top Republican in the state legislature, longtime Assembly Speaker Sheldon Silver and State Senate Majority Leader Dean Skelos respectively. The Silver and Skelos cases were only the most recent in a very long series of indictments and convictions, although sentences were usually rather light. Far from “cleaning up” state government, Cuomo has found his own administration prominently featured in the corruption follies.

As reported in the *Wall Street Journal*, the Justice Department complaint in the current case provided “intimate detail” on the sleazy operations of some of Cuomo’s closest aides. Percoco is charged with receiving bribes and other favors in exchange for

providing access to the administration and steering huge contracts towards the businessmen named in the complaint. Emails and other evidence include the term “ziti,” the Mafia code word for cash, used by Percoco and his confederates.

Another defendant, lobbyist Todd Howe, pleaded guilty last week to eight counts, including extortion, wire fraud and conspiracy charges. Howe is cooperating with the prosecution, and his testimony is expected to figure heavily in the case against the other defendants.

Another of those charged is Alain Kaloyeros, the president of the State University of New York Polytechnic Institute in Albany, whose position enabled him to oversee the awarding of contracts and funding for various projects. Kaloyeros has been suspended from his position without pay. Both he and Percoco have entered not guilty pleas.

Meanwhile, the testimony in the New Jersey trial raised anew the charge, repeatedly denied by Governor Christie, that he knew about the lane-closing plans to punish his political enemies. One of several major defendants in the case, former Port Authority of New York and New Jersey official David Wildstein, testified after a silence of three years that Christie knew of and inspired the action.

Wildstein, who has confessed to being the author of the scheme, is a cooperating witness in the federal trial in Newark. He said that Christie and his close aides were working to line up political support so that his expected re-election in November 2013 could become the springboard to an eventual run for the presidency.

Wildstein had no transportation experience when he was hired by another Christie associate, Bill Baroni. Transportation experience was apparently not a priority for the tasks he was expected to perform. According to Wildstein, it was explained that decisions of the bi-state agency, which runs major transportation systems in the New York-New Jersey region, would be based on the “one constituent” rule. “The only person that had to be happy was Governor Christie. We used that as the barometer by which a decision would be made at the Port Authority,” he explained.

The idea was to use the Port Authority as a means of wooing Democratic mayors in New Jersey to back Christie’s re-election bid. Wildstein testified that he had discussed with Bridget Kelly, then the deputy chief

of staff for Christie, various things in “the Port Authority goody bag ... all the things the Port Authority had available,” including jobs and patronage positions. When the Fort Lee mayor did not cooperate, he apparently received a form of political punishment rather than items from the “goody bag.”

Christie huffed and puffed his denials of involvement in the Bridgegate scandal, although all of his underlings were known for their unquestioning loyalty and the utter unlikelihood that they would take any such action on their own. The Governor dismissed the scandal as a case of aides who had disappointed him by not living up to the high standards expected. The case continued to shadow Christie’s unsuccessful campaign for the 2016 Republican nomination, however.

Neither Christie nor Cuomo has so far faced charges in connection with these scandals. Speaking of the New York Democrat, US Attorney Bharara told a news conference, “There are no allegations of any wrongdoing or misconduct by the governor, anywhere in this complaint.” As another observer quoted in the *New York Times* put it, however, “It’s unrealistic with an adviser that was this close to the governor, that the governor doesn’t know what was going on.” Or, if lack of knowledge is in fact that case, “It’s a sign that he’s not minding the store.”

There is one other aspect of the bipartisan bi-state scandals in New York and New Jersey that should be noted. Christie, despite his connection to the lane-closing scandal, was tapped by Republican presidential candidate Donald Trump to head his “transition team” if he wins the election. Trump has recently reiterated his support for Christie. As for Cuomo, he is one of the most prominent national Democrats campaigning for Hillary Clinton.



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