

IN THE MATTER OF  
ADMINISTRATORS FOR THE PROFESSIONS, INC.

---

SUBSTANTIAL BASIS INVESTIGATION REPORT  
AND SETTLEMENT AGREEMENT

Case No. 16-094

WHEREAS, the Joint Commission on Public Ethics ("Commission") is authorized by Executive Law §94 to conduct an investigation to determine whether a substantial basis exists to conclude that a violation of Article 1-A of the Legislative Law ("Lobbying Act") has occurred, to issue a report of its findings of fact and conclusions of law, and to impose penalties for any violation;

WHEREAS, Administrators for the Professions, Inc. ("Respondent") manages the day to day operations and business of and is the Attorney-in-Fact for Physicians Reciprocal Insurers ("PRI"), a reciprocal insurance company that provides insurance coverage for medical professionals, hospitals, clinics, nursing homes, and medical schools and colleges in New York and is wholly owned by its subscribers and has no employees;

WHEREAS, since at least 2007, Respondent has been a client of a registered lobbyist and is therefore subject to the jurisdiction of the Commission and the proscriptions set forth in the Lobbying Act;

WHEREAS, in the matter United States of America v. Dean Skelos and Adam Skelos, 15 Cr. 317, the Respondent cooperated with the United States Attorney for the Southern District of New York ("USA/SDNY") and provided evidence presented at the trial in the matter;

WHEREAS, on June 6, 2016, a letter was sent alleging violations of Lobbying Act §1-m, which letter afforded 15 days in which to respond to the allegations in writing and a response was received on June 20, 2016;

WHEREAS, the Respondent, has waived notification in writing of possible violations pursuant to Executive Law §94(13)(a) and in lieu of appearing in an adjudicatory proceeding that could result in findings of fact and conclusions of law and the assessment of a civil penalty against Respondent, the parties to this Agreement have agreed to resolve their dispute in a manner that avoids further administrative and adjudicatory proceedings with the Commission, or sanctions or penalties by the Commission, except as provided below;

NOW THEREFORE, in consideration of the mutual covenants made herein, as the final settlement of this matter with respect to Respondent, the parties stipulate and agree to the following relevant facts, terms and conditions all of which they acknowledge to be true:

1. Since at least 2007, Respondent was a client of a registered lobbyist and lobbied the former President Pro Tempore and Senator Majority Leader Dean Skelos on issues relating to medical malpractice insurance.
2. Respondent engaged in or was a party to the following conduct and transactions with Senator Skelos with respect to pending legislation:
  - a. From time to time between in or about August 2012 to December 2012, Senator Skelos discussed with Respondent that his son, Adam Skelos, was looking for a job that provided health benefits;
  - b. Thereafter, in December 2012, Respondent reached out to Adam Skelos to hire him;
  - c. Thereafter, on January 2, 2013, Respondent hired Adam Skelos as a program manager in its sales and marketing department where his role was to promote the reciprocal insurer's services to prospective clients at an annual salary of \$75,000 with health benefits;
  - d. Adam Skelos did not perform his job duties and responsibilities and was regularly absent from the office;
  - e. In January 2013, when Respondent advised Senator Skelos about Adam Skelos' non- performance and attendance, Senator Skelos demanded that Respondent continue to employ Adam Skelos; and
  - f. In response to such demand, Respondent continued to employ Adam Skelos. In October 2013, Respondent and Adam Skelos, with Senator Skelos' approval, agreed to convert Adam Skelos' employment to that of a consultant and Respondent paid Adam Skelos \$3,000 per month until March 2015.
3. Respondent is an entity required to be listed on a statement of registration under New York's Lobbying Act, acknowledges that Lobbying Act §1-m prohibits registered entities from offering or providing gifts to a public official unless, under the circumstances, it is unreasonable to infer the gift was intended to influence such official.
4. Respondent agrees to pay to the Commission the amount of seventy thousand dollars (\$70,000.00) in full resolution of the conduct described herein. The payment of \$35,000.00 shall be made within thirty (30) days of the execution of this Agreement, and the remaining payment of \$35,000.00 within the next thirty (30) days of the first payment.
5. Respondent agrees to cooperate fully with any investigation related to the conduct of former Senator Dean Skelos by the Commission, including but not limited to, providing any and all relevant documents and providing truthful testimony in any future investigations or proceedings related to this matter.

6. The Commission has agreed to the terms of this Agreement based on, among other things, the representations made to the Commission by Respondent. To the extent that representations made by Respondent are later found by the Commission to be materially incomplete or inaccurate, Respondent shall be in breach of this Agreement.
7. If the Respondent fails to timely perform any conditions set forth in the Agreement, Respondent shall be in breach of this Agreement.
8. Respondent agrees not to take any action or to make, permit to be made, authorize, or agree to any public statement denying, directly or indirectly, any finding in this Agreement, or creating the impression that this Agreement is without factual basis. Nothing in this paragraph affects Respondent's: (a) testimonial obligations; or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the Commission is not a party. A violation of this Paragraph constitutes a breach of this Agreement by Respondent.
9. Upon a breach of this Agreement, the Commission shall have sole discretion to deem the Agreement null and void in its entirety, issue a new Substantial Basis Investigation Report, which may include additional charges against Respondent, and proceed with an enforcement action. As to any new Substantial Basis Investigation Report or enforcement action by the Commission pursuant to this paragraph: (1) Respondent waives any claim that such action is time-barred by a statute of limitations or any other time-related defenses; and (2) Respondent expressly acknowledges and agrees that the Commission may use any statements herein, or any other statements, documents or materials produced or provided by Respondent prior to or after the date of this Agreement, including, but not limited to, any statements, documents, or materials, if any, provided for the purposes of settlement negotiations or in submissions by Respondent or by counsel on behalf of Respondent, in any proceeding against Respondent relating to the allegations herein.
10. Respondent shall upon request by the Commission, provide all documentation and information reasonably necessary for the Commission to verify compliance with this Agreement and otherwise cooperate with the Commission in complying with this Agreement.
11. Respondent understands and acknowledges that the Commission may investigate any other conduct, not covered by this Agreement, by Respondent and take any appropriate action.
12. Respondent waives the right to assert any defenses or any challenges to this Agreement, as well as any right to appeal or challenge the determination or conduct of the Commission relating to this matter in any forum.
13. This Agreement and any dispute related thereto shall be governed by the laws of the State of New York without regard to any conflict of laws principles.
14. Respondent consents to the jurisdiction of the Commission in any proceeding to enforce this Agreement.

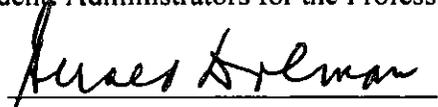
15. It is understood that this Agreement is not confidential and will be made public within 45 days of its execution in accordance with Executive Law §§94(14) & (19).
16. This Agreement constitutes the entire agreement between the parties and supersedes any prior communication, understanding, or agreement, whether oral or written, concerning the subject matter of this Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth in this Agreement has been relied upon by any party to this Agreement.
17. Any amendment or modification to this Agreement shall be in writing and signed by both parties.
18. This Agreement shall become effective upon execution by the Commission or its designee.
19. In the event that one or more provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.
20. By signing below, Respondent acknowledges reading this Agreement in its entirety, understanding all terms and conditions of this Agreement, and having done so, knowingly, voluntarily, and freely enters into this Agreement. Respondent was represented by counsel, Reed Smith LLP.

Dated: 12/27/16

  
Seth Agata  
Executive Director  
New York State Joint Commission on Public Ethics

ACCEPTED AND AGREED TO  
THIS 27<sup>th</sup> DAY OF December, 2016

Respondent: Administrators for the Professions, Inc.

By:   
Name: Gerald Dolman  
President

Approved:

Marvin E. Jacob  
Seymour Knox, IV  
Hon. Eileen Koretz  
Gary J. Lavine  
J. Gerard McAuliffe, Jr.  
David A. Renzi  
Hon. Renee R. Roth  
Dawn L. Smalls  
George H. Weissman

Absent:

Michael K. Rozen

Members