
IN THE MATTER OF GLENWOOD MANAGEMENT CORP.

SUBSTANTIAL BASIS INVESTIGATION REPORT
AND SETTLEMENT AGREEMENT

"JCOPE" Rec'd

DEC 22 2016

Case No. 16-093

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 any violations of the Public Officers Law and Article 1-A of the Legislative Law have occurred, to issue a report of its findings of fact and conclusions of law, and to impose penalties for any violation;

WHEREAS, Glenwood Management Corp. ("Respondent") is a real estate management company which manages various residential buildings throughout New York City;

WHEREAS, since at least 2007 to present, Respondent has been a client of registered lobbyists and, by engaging in reportable lobbying activity, is required to comply with the filing and reporting requirements set forth in Article 1-A of the Legislative Law ("Lobbying Act") and is subject to the jurisdiction of the Commission by virtue of such reporting requirements;

WHEREAS, the Lobbying Act requires lobbyists and clients of lobbyists to file public statements of registration, file periodic reports containing accurate and complete information reflecting their activities involving government officials defined as "lobbying," and prohibits the giving of a gift to a public official except under circumstances where it is not reasonable to infer that the gift was intended to influence such public official;

WHEREAS, in connection with the federal criminal prosecution of the former Speaker of the New York State Assembly, Sheldon Silver, in the case entitled *United States v. Sheldon Silver*, Case No. 15 Cr. 93 (S.D.N.Y. 2016) and in connection with the federal criminal prosecution of the former President *Pro Tem* of the New York State Senate, Dean Skelos, and his son, Adam Skelos, in the case entitled *United States v. Dean Skelos and Adam Skelos*, Case No. 15 Cr. 317 (S.D.N.Y. 2016) (together, the "Federal Prosecutions"), officers and agents of Respondent testified as witnesses;

WHEREAS, Respondent is fully familiar with the public trial record in the Federal Prosecutions, and does not dispute that the sworn testimony of its officers and agents in that case (the "Trial Testimony") is accurate;

WHEREAS, based on the Federal Prosecutions, the Commission deems, among other things, Respondent's lobbying reports filed with the Commission for the period covering 2011-2012 and 2013-14 biennial registration periods (the "Relevant Period") incomplete in disclosing Respondent's lobbying activity;

WHEREAS, on June 6, 2016, a letter was sent to Respondent alleging violations of the Lobbying Act §§ 1-e, 1-h, 1-j, and 1-m, which afforded Respondent fifteen (15) days to respond; and upon the Commission's permission for an extension, on August 2, 2016, Respondent responded setting forth facts and legal arguments and denying the allegations;

WHEREAS, on August 9, 2016, the Commission voted to commence an investigation into this matter;

WHEREAS, in lieu of appearing in an adjudicatory proceeding that could result in the assessment of a civil penalty against Respondent concerning its lobbying activities as disclosed in the context of the Federal Prosecutions, the parties to this Agreement have agreed to resolve their dispute without further administrative proceedings or adjudicatory proceedings and potential civil litigation; and

NOW, THEREFORE, in consideration of the mutual covenants made herein, as the final settlement of this matter with respect to Respondent, the parties stipulate, agree, and acknowledge the following:

1. Since at least 2007, Respondent regularly lobbied the New York State Legislature, including former President *Pro Tempore* and Senate Majority Leader Dean Skelos and former Speaker of the Assembly Sheldon Silver on issues relating to real estate, housing, rent regulation, tenant legislation, and real estate development.
2. The former President *Pro Tempore* and Senate Majority Leader Dean Skelos and former Speaker of the Assembly Sheldon Silver each exercised considerable influence over legislation that could directly impact Respondent's business.
3. From January 2012 to October 2013, Respondent retained the law firm of Goldberg & Iryami, P.C. (the "Goldberg Firm") for tax certiorari services knowing that the Goldberg firm paid Speaker Silver a referral fee and that Speaker Silver performed no work in connection with the Goldberg Firm's services to Glenwood.
4. During the period of 2012 to 2015, Respondent recommended an environmental technology company to hire and pay Adam Skelos, an adult son of Senator Skelos, as a consultant, and arranged for a title insurance company to pay a referral fee to Adam Skelos.
5. As set forth in the Trial Testimony, Respondent made these arrangements at Skelos's repeated request and out of concern that Silver and Skelos could adversely influence legislation affecting Respondent's business.

6. As set forth in the Trial Testimony, Respondent met with Senator Skelos on numerous occasions to discuss pending legislation for Respondent's benefit. Respondent admits that it violated the Lobbying Act when it did not submit Statements of Registration, Lobbyist Bi-Monthly Reports, and complete Client Semi-Annual Reports for the Relevant Period in connection with those meetings.
7. Respondent agrees to pay to the Commission the amount of two hundred thousand dollars (\$200,000.00) in full resolution of the conduct described herein and within thirty (30) days of the full execution of this Agreement.
8. Respondent agrees to submit Statements of Registration, Lobbyist Bi-Monthly Reports, and amended Client Semi-Annual Reports for the Relevant Period as set forth in the Trial Testimony, in compliance with §§ 1-e, 1-h, and 1-j of the Lobbying Act within thirty (30) days of the full execution of this Agreement.
9. Respondent agrees to cooperate fully with any related investigation by the Commission, including but not limited to, providing any or all relevant documents and providing truthful testimony in any related investigations or proceedings.
10. The Commission has agreed to the terms of this Agreement based on, among other things, the representations made by Respondent to the Commission. 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.
11. If the Respondent fails to timely perform any conditions set forth in the Agreement, Respondent shall be in breach of this Agreement.
12. Notwithstanding the provisions of this Agreement, Respondent understands and acknowledges that the Commission may investigate future alleged violations of the Lobbying Act by Respondent, its officers and employees, unrelated to the Federal Prosecutions, if any, by Respondent and take appropriate action. Respondent reserves any and all defenses to any such action.
13. Upon a material breach of this Agreement, the Commission shall have sole discretion to deem the Agreement null and void in its entirety, issue a Notice of Substantial Investigation and Hearing which may include additional violations of the Lobbying Act against Respondent arising out of the Federal Prosecutions, and proceed with an enforcement action and issue a new Substantial Basis Investigation Report. As to any such 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.

14. Respondent shall upon request by the Commission provide all documentation and information reasonably necessary for the Commission to verify compliance with this Agreement.
15. 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 form.
16. This Agreement and any dispute related thereto shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.
17. It is understood that this Agreement is not confidential and will be made public within forty-five (45) days of its execution in accordance with Executive Law § 94 (14) and (19).
18. Respondent consents to the jurisdiction of the Commission in any proceeding to enforce this Agreement.
19. 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 shall affect 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 may constitute a breach of this Agreement by Respondent.
20. 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.
21. Any amendment or modification to this Agreement shall be in writing and signed by both parties.
22. This Agreement shall become effective upon execution by the Commission and Respondent or its designee.
23. 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.

24. 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, Alan Levine, Cooley LLP, 1114 Avenue of the Americas, New York, NY 10036 and Karl Sleight, Harris Beach, PLLC, 677 Broadway, Suite 1101, Albany, NY 12866.

Dated: 12/27/16



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

ACCEPTED AND AGREED TO
THIS 21st DAY OF December, 2016

Respondent: Glenwood Management Corp.

By: 

Name: Carole Pittelman
Title: President

Approved:

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:

Marvin E. Jacob
Michael K. Rozen

Members