

IN THE MATTER OF NEW YORKERS FOR
CLEAN, LIVABLE, AND SAFE STREETS,
WENDY NEU, individually, and STEVEN
NISLICK, individually,

Respondents.

SUBSTANTIAL BASIS INVESTIGATION REPORT
AND SETTLEMENT AGREEMENT

Case No. 17-088

"SCOPE" Rec'd
APR 05 2018

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 Article 1-A of the New York State Legislative Law (the "Lobbying Act") have occurred, to issue a report of its findings of fact and conclusions of law, and to impose penalties for any violation;

WHEREAS, this Settlement Agreement ("Agreement") is entered into by and between the Commission and Respondents New Yorkers for Clean, Livable and Safe Streets, ("NYCLASS"), Wendy Neu, and Steven Nislick;

WHEREAS, NYCLASS is a not-for-profit entity that was formed in 2008 with the core mission of saving New York City carriage horses and protecting animals;

WHEREAS, NYCLASS has been registered as a lobbying firm during the 2013–2014, 2015–2016, and 2017–2018 biennial lobbying registration periods and is therefore subject to the jurisdiction of the Commission and the proscriptions in the Lobbying Act;

WHEREAS, Steven Nislick is the co-founder and President of NYCLASS and Wendy Neu is a board member. At all times relevant to this Agreement, Nislick and Neu were volunteers at NYCLASS and were never paid for their services. During periods in 2014 and 2015, Neu and Nislick were listed as lobbyists on NYCLASS lobbying filings with the Commission;

WHEREAS, NYCLASS, Nislick, and Neu have fully and voluntarily cooperated with the Commission in providing requested information;

WHEREAS, the Campaign for One New York was a 501(c)(4) not-for-profit entity that was formed in 2013 ("CONY") following the election of the Mayor of the City of New York, Bill de Blasio ("the Mayor"), by Ross Offinger and other people, to advocate for the benefit of the City of New York by informing the public and policymakers about legislative and public policy and from which the Mayor sought and obtained support for his legislative and policy objectives, including affordable housing and universal pre-kindergarten; Offinger was the Treasurer and chief fundraiser

of CONY and a fundraiser for the Mayor's election campaign;

WHEREAS, §1-m of the Lobbying Act prohibits any lobbyist from "offer[ing] or giv[ing] a gift with a value in excess of seventy-five dollars to any public official" and Part 934 of Title 19 of the New York Codes, Rule and Regulations, effective June 18, 2014, further provides that, pursuant to §1-m of the Lobbying Act, a gift may not be given to a third party, including a charitable organization, on behalf of or at the designation or recommendation of a public official, when such gift cannot be offered or given to the Public Official;

WHEREAS, §§1-e and 1-h of the Lobbying Act also require lobbyists to file public statements of registration, file periodic reports containing accurate and complete information reflecting their activities involving government officials that qualify as lobbying under the Lobbying Act;

WHEREAS, the Commission sent a separate letter to NYCLASS, Nislick, and Neu, that afforded them a period of 15 days to respond to allegations that they violated §§1-e, 1-h, and 1-m of the Lobbying Act;

WHEREAS, Respondents and the Commission, the parties to this Agreement have agreed to resolve this matter in a manner that avoids additional administrative and/or adjudicatory proceedings;

NOW THEREFORE, in consideration of the mutual covenants made herein, as the final settlement of this matter, the parties stipulate and agree that:

1. Beginning in January of 2014, NYCLASS, Nislick, and Neu were engaged in lobbying officials of the City of the New York, including the Mayor, Deputy Mayors, New York City Commissioners and their staff, and New York City elected officials, on issues relating to the horse carriage industry. Specifically, NYCLASS, Nislick, and Neu sought to obtain legislation replacing horse carriage tours with tours using an electric powered vehicle by and among other things, coordinating with Offinger and others to schedule meetings with the Mayor and other New York City Officials.
2. In 2014, the Mayor directly asked Nislick to donate to CONY. Nislick later asked Neu to donate to CONY, and they agreed to each donate \$25,000. Neu donated the \$25,000; Nislick did not donate after Offinger told him that his donation could not be accepted because the Mayor had solicited him directly.
3. In 2015, Nislick and Neu each donated \$50,000 to CONY following a request made by Offinger.
4. At the time of making all contributions to CONY, Respondents Nislick and Neu were engaged in lobbying activity on behalf of NYCLASS, before the City of New York, including efforts targeting the Mayor and senior New York City officials.
5. Between January 2014 and July 2014 (the "Relevant Period"), while NYCLASS, Nislick, and Neu were actively seeking and participating in meetings with New York City officials to further their lobbying efforts, NYCLASS failed to register and file

Bi-Monthly Reports. NYCLASS subsequently registered in July 2014. NYCLASS admits that it violated Lobbying Act §§ 1-e and 1-h when it did not register or file Bi-Monthly Reports during the Relevant Period.

6. NYCLASS agrees to pay to the Commission the amount of ten thousand dollars (\$10,000) in settlement of the violation of Lobbying Act §§ 1-e and 1-h within thirty (30) days of the execution of this Agreement.
7. NYCLASS agrees to submit an amended Statement of Registration, Lobbyist Bi-Monthly Reports and/or an amended Client Semi-Annual Report for the Relevant Period in compliance with §§ 1-e and 1-h of the Lobbying Act within thirty (30) days of the full execution of this Agreement.
8. The Commission has agreed to the terms of this Agreement based on, among other things, the representations that Respondents made to the Commission. To the extent that the Commission finds that any such representation is materially incomplete or inaccurate, Respondents shall be in breach of this Agreement.
9. If Respondents fail to timely perform any conditions in this Agreement, Respondents shall be in breach of this Agreement.
10. Respondents agree 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 Respondents' (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 Respondents.
11. 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 new Notice of Substantial Investigation and Hearing, which may include additional charges against Respondent and proceed with an enforcement action, and then issue a new Substantial Investigation Report; or to deem the Respondents in breach of this Agreement and pursue, in court, any other remedy to which the Commission is entitled at law or in equity, including but not limited to, specific performance or injunction. As to any new Notice of Substantial Investigation and Hearing or enforcement action by the Commission pursuant to this paragraph: (1) Respondents waive any claim that such action is time-barred by a statute of limitations or any other time-related defenses; and (2) Respondents expressly acknowledge and agree that the Commission may use any statements herein, or any other statements, documents or materials produced or provided by Respondents 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 Respondents or by counsel on behalf of Respondents, in any proceeding against Respondents relating to the allegations herein.

12. Upon written request by the Commission, Respondents shall provide all documentation and information reasonably necessary for the Commission to verify compliance with this Agreement.
13. Respondents understand and acknowledge that the Commission may investigate any other conduct, apart from conduct covered by (1) the Commission's 15-day letters to Respondents and (2) this Agreement, by Respondents and take any appropriate action.
14. Respondents waive 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.
15. 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.
16. Respondents consent to the jurisdiction of the Commission in any proceeding to enforce this Agreement.
17. 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) and (19).
18. 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.
19. Any amendment or modification to this Agreement shall be in writing and signed by both parties.
20. This Agreement shall become effective upon execution by the Commission or its designee.
21. 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.
22. By signing below, Respondents acknowledge 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. Electronic signatures are deemed originals for the purposes of this Agreement. Respondents were represented by counsels, Randy M. Mastro and Mylan L. Denerstein, Gibson Dunn, 200 Park Avenue, New York, New York 10166 and Paul Shechtman, Bracewell, 1251 Avenue of the Americas, New York, New York 10020.

Dated: April 5, 2018

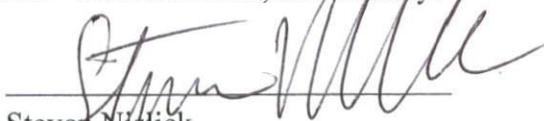

Seth H. Agata
Executive Director
New York State Joint Commission on Public Ethics

ACCEPTED AND AGREED TO
THIS 3rd DAY OF April, 2018

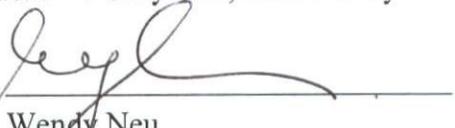
Respondent - NYCLASS.

By: 
Name: Steven Nislick
Title: President

Respondent - Steven Nislick, Individually.

By: 
Name: Steven Nislick

Respondent - Wendy Neu, Individually.

By: 
Name: Wendy Neu

Approved:

Michael K. Rozen
Chair

Robert Cohen
James E. Dering
Marvin E. Jacob
Seymour Knox, IV
Gary J. Lavine
J. Gerard McAuliffe, Jr.
David McNamara
Barry C. Sample
George H. Weissman
Members

Dawn L. Small
James A. Yates
Absent