

In the Matter of Douglaston Development, LLC,

Respondent.

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SUBSTANTIAL BASIS INVESTIGATION REPORT  
AND SETTLEMENT AGREEMENT  
Case No. 19-093

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 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 Douglaston Development, LLC (“Respondent”);

WHEREAS, Respondent was registered as a client of a lobbying firm for all of 2015 and remained registered as a client of a lobbyist through the present date and is therefore subject to the jurisdiction of the Commission and the proscriptions set forth in the Lobbying Act;

WHEREAS, Respondent is a real estate development company and, in 2015, had projects underway subject to review by and required approvals from New York City agencies and officials;

WHEREAS, the Campaign for One New York (“CONY”) was a 501(c)(4) not-for-profit entity formed in 2013 following the election of the Mayor of the City of New York, Bill de Blasio (“the Mayor”), by three former election campaign workers for 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 initiatives and from which the Mayor sought and obtained support for his legislative and policy objectives, including universal pre-kindergarten and affordable housing;

WHEREAS, § 1-m of the Lobbying Act prohibits any lobbyist or client of a lobbyist from “offer[ing] or giv[ing] a gift to any public official . . . unless under the circumstances it is not reasonable to infer that the gift was intended to influence such public official;” and Part 934 of Title 19 of the New York Codes, Rule and Regulations further provides that 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, the Respondent has waived notification in writing of possible violations pursuant to Executive Law § 94(13)(a) and has submitted a written memorandum of law addressing the legal and factual issues involved;

WHEREAS, Respondent has voluntarily produced information and documents to the

Commission and cooperated fully with the Commission's inquiry;

WHEREAS, Respondent 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. At all times relevant to this matter, Respondent had retained lobbyists to lobby officials of the City of the New York.
2. In February 2015, the Mayor called a senior executive for Respondent and discussed CONY and noted that Offinger would follow up with the executive. Within a week after this call, Offinger called the executive and spoke with him regarding donating to CONY. On March 19, 2015, the executive spoke with Offinger and agreed that Respondent would donate \$25,000, rather than the sum of at least \$50,000 that Offinger had requested. On March 31, 2015, Respondent donated \$25,000 to CONY.
3. Respondent acknowledges that § 1-m of the Lobbying Act prohibits any lobbyist or a lobbying client from giving a gift to a public official, unless under the circumstances it is not reasonable to infer that the gift was intended to influence such public official; Part 934 of Title 19 of the New York Codes, Rule and Regulations, effective June 18, 2014, provides that a lobbyist or a lobbying client cannot give a gift 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 under the Lobbying Act.
4. Respondent agrees to pay to the Commission the amount of \$10,000.00 in settlement of this matter against Respondent, its officers and employees, within thirty (30) days of the execution of this Agreement.
5. 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.
6. If Respondent fails to timely perform any conditions set forth in the Agreement, Respondent shall be in breach of this Agreement.
7. 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.

8. 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 Notice of Substantial Basis Investigation and Hearing, which may include additional charges against Respondent and proceed with an enforcement action, and then issue a new Substantial Basis Investigation Report; or to deem the Respondent 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 Basis Investigation and Hearing 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.
9. Respondent shall upon written request by the Commission, provide all documentation and information reasonably necessary for the Commission to verify compliance with this Agreement.
10. Respondent understands and acknowledges that the Commission may investigate any other conduct, not covered by this Agreement, by Respondent and take any appropriate action.
11. 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.
12. 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.
13. Respondent consents to the jurisdiction of the Commission in any proceeding to enforce this Agreement.
14. 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).
15. 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.

16. Any amendment or modification to this Agreement shall be in writing and signed by both parties.
17. This Agreement shall become effective upon execution by the Commission or its designee.
18. 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.
19. 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. Electronic signatures are deemed originals for the purposes of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed original, but all of which together shall constitute one and the same instrument. Respondent was represented by Alexandra Shapiro of Shapiro Arato Bach LLP.

Dated: November 12, 2019



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New York State Joint Commission on Public Ethics  
Monica Stamm, General Counsel

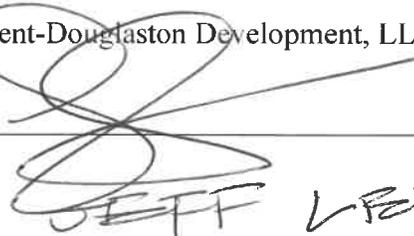
ACCEPTED AND AGREED TO  
THIS 31 DAY OF October, 2019

Respondent-Douglaston Development, LLC

By: \_\_\_\_\_

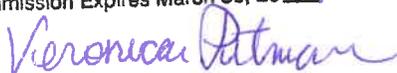
Name:

Title:



JEFF LEVINE  
CHAIRMAN

VERONICA PUTNAN  
Notary Public, State of New York  
No. 01PU4687405  
Qualified in New York County  
Commission Expires March 30, 2019



Approved:

Michael K. Rozen, Chair

Robert Cohen  
James E. Dering  
William P. Fisher  
Daniel J. Horwitz  
Marvin E. Jacob  
Gary J. Lavine  
James W. McCarthy  
George H. Weissman  
James A. Yates

Members

Colleen C. DiPirro  
David J. McNamara

Absent