

IN THE MATTER OF MICHAEL PISAPIA,  
Former Special Counsel at  
The New York Liquidation Bureau.

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SUBSTANTIAL BASIS INVESTIGATION REPORT  
AND SETTLEMENT AGREEMENT

Case No. 17-132

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 have occurred, to issue a report of its findings of fact and conclusions of law, and to impose penalties for any violation;

WHEREAS, Michael Pisapia (“Respondent”) was employed as a Special Counsel, and then Associate Counsel at the New York Liquidation Bureau (“NYLB”) from July 20, 2006, through September 8, 2017;

WHEREAS, Respondent was designated a “state officer or employee” as defined by Public Officers Law § 73-a required to submit a Financial Disclosure Statement, as set forth at Public Officers Law § 73-a, subdivision 3, to the Commission for the calendar years 2015 and 2016;

WHEREAS, pursuant to Public Officers Law §73-a, subdivision 2(a), designated state officers and employees are required to file “an annual statement of financial disclosure containing information and in the form set forth in subdivision three of this section ...on or before the fifteenth day of May with respect to the preceding calendar year” with the Commission;

WHEREAS, Question 13 of the statutory Financial Disclosure Statement set forth at Public Officers Law § 73-a, subdivision 3, states in pertinent part that a covered individual must report “the nature and amount of any income in excess of \$1,000 from each source for the reporting individual ... for the taxable year last occurring prior to the date of filing. Each such source must be described with particularity. Nature of income includes, but is not limited to, all income from compensated employment whether public or private, ... contractual relationships ... income from a business or profession ...”;

WHEREAS, on December 26, 2017 and September 5, 2018, letters were sent to Respondent alleging violations of Public Officers Law § 73-a and §§ 74(3)(a), (d), (e) and (f) which afforded Respondent fifteen (15) days to respond;

WHEREAS, Respondent responded by letters dated February 6, 2018, September 26, 2018, and November 30, 2018 denying that the allegations violated the Public Officers Law;

WHEREAS, on March 27, 2018, the Commission voted to commence an investigation into this matter;

WHEREAS, Respondent and the Commission, the parties to this Settlement Agreement (“Agreement”), have agreed to resolve this matter in a manner that avoids additional administrative and/or adjudicatory proceedings; and

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

1. In 2015 and 2016, Respondent received a series of payments representing legal fees as compensation for several appearances in immigration court (“Respondent’s Fees”).
2. Respondent’s Fees totaled \$4,000 in 2015 and \$4,750 in 2016, and were required to be reported on the Respondent’s Financial Disclosure Statement at Question 13, as referenced herein, for the reporting years 2015 and 2016.
3. Respondent did not include the information regarding the Respondent’s Fees in his Financial Disclosure Statements for the reporting years 2015 and 2106, as required, and as such failed to timely report the Respondent’s Fee in response to Question 13.
4. Respondent agrees to pay to the Commission the amount of one thousand five hundred dollars (\$1,500.00) in settlement of each said violation, for a total payment of three thousand dollars (\$3,000.00), within sixty (60) days of the signing of this Agreement.
5. Respondent agrees to file accurate and complete Amended Financial Disclosure Statements for the years 2015 and 2016 within sixty (60) days of the signing of this Agreement.
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 to pursue any 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 Notice of Substantial Basis Investigation and Hearing which may include additional charges against Respondent, 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 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 written request by the Commission provide all documentation and information reasonably necessary for the Commission to verify compliance with this Agreement.
11. Respondent understands and acknowledges that the Commission may investigate any other conduct by Respondent not covered by this Agreement 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. Electronic and facsimile signatures shall be deemed originals for the purpose 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 is represented by counsel, Karl Sleight, Esq. of Harris Beach PLLC.

Dated: March 10, 2020

  
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Deputy General Counsel  
New York State Joint Commission on Public Ethics

ACCEPTED AND AGREED TO  
THIS 20 DAY OF February, 2020

Respondent  
By: Michael Pisapia  
Name: Michael Pisapia

Approved:

Michael K. Rozen, Chair

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

Members

Colleen C. DiPirro  
James W. McCarthy

Absent