
IN THE MATTER OF AEWS ENGINEERING LLC.

SUBSTANTIAL BASIS INVESTIGATION REPORT
AND SETTLEMENT AGREEMENT

Case No. 16-068

WHEREAS, the Joint Commission on Public Ethics (the "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 (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, Respondent, an engineering firm that handles civil and environmental projects in the water infrastructure sector, is a subsidiary of AbTech Industries, Inc. ("AbTech"), an Arizona-based environmental technologies and engineering firm that provides water pollution and contamination solutions to communities, industry, and governments;

WHEREAS, in 2015, the former President *Pro Tem* of the New York State Senate, Dean Skelos, and his son, Adam Skelos, were indicted by federal authorities on charges of extortion, bribe solicitation, and honest services fraud in the case *United States v. Dean Skelos and Adam Skelos*, Case No. 15 Cr. 317 (S.D.N.Y. 2016) (the "Skelos Prosecution"), and both were convicted on all counts following trial (the "Skelos Trial");

WHEREAS, in connection with the Skelos Prosecution, Respondent cooperated with the federal government, and current and former officers of Respondent testified on behalf of the government in the Skelos Trial pursuant to non-prosecution agreements;

WHEREAS, as revealed in the Skelos Trial, in or about early 2011, Glenwood Management Corp. ("Glenwood"), in an effort to influence Dean Skelos, who was pressuring Glenwood to find employment for Adam Skelos, recommended that AbTech hire Adam Skelos as a consultant, claiming that Adam Skelos was an "ideal fit" and a "great connection" and was "very successful" in his municipal sales business, and Respondent contends that Glenwood did not reveal to AbTech its true reasons for recommending Adam Skelos.

WHEREAS, from in or around November 2012 to in or around March 2015 (the "Relevant Period"), AbTech retained Adam Skelos pursuant to a Professional Services Consulting Agreement ("Consulting Agreement"), which provided that Adam Skelos was to assist AbTech and AEWS to identify potential municipalities in New York, and opportunities directly with New York State, for stormwater Public Private Partnerships ("P3s") and finalize such P3 contracts, including arranging for, organizing, and otherwise advising and assisting with respect to meetings

with municipalities in New York State, New York State agencies, and other parties; assisting with contract bidding, negotiations, and documentation in connection with establishing P3s in New York; and advising on legislative matters in New York State related to stormwater P3s;

WHEREAS, the Consulting Agreement expressly prohibited Adam Skelos from engaging in any activities or services that would require him to register as a lobbyist in New York State or New York City and further prohibited him from engaging in any effort to lobby any public official as such term is defined under New York State Legislative Law;

WHEREAS, the former Executive Vice President of AbTech and, later, former President of AEWS (the "former officer") supervised Adam Skelos throughout the duration of his consultancy for AbTech and AEWS;

WHEREAS, the Skelos Trial revealed that, in violation of the terms of his Consulting Agreement, Adam Skelos, along with the former officer, engaged in reportable lobbying activity during the Relevant Period, which activity was required to be disclosed to the Commission in accordance with the Lobbying Act;

WHEREAS, from July 2014 to June 2015, Respondent was a client of registered lobbyists and filed client semi-annual reports with the Commission pursuant to the Lobbying Act;

WHEREAS, the Commission alleges that Respondent's client semi-annual reports for the July-December 2014 and January-June 2015 periods are incomplete and inaccurate in disclosing its lobbying activity during those periods;

WHEREAS, on May 13, 2016, a letter was sent to Respondent alleging violations of the Lobbying Act, which letter afforded Respondent fifteen (15) days to respond;

WHEREAS, Respondent submitted a response to the Commission denying any knowing or willful violations of the Lobbying Act and the remaining allegations in their entirety;

WHEREAS, on August 9, 2016, the Commission voted to commence investigations into these matters;

WHEREAS, in lieu of appearing in an adjudicatory proceeding that could result in 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 proceedings or adjudicatory proceedings;

WHEREAS, the Commission, in reaching this Agreement, has reviewed financial statements for Respondent and considered Respondent's financial position; 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 and agree to the following relevant facts, terms and conditions all of which they acknowledge to be true:

1. During the Relevant Period, Adam Skelos and the former officer, acting primarily in his capacity as an officer of AEWS, engaged in reportable lobbying activity that was

not disclosed to the Commission. The failure to disclose such lobbying activity violated §§ 1-e, 1-h, and 1-j of the Lobbying Act.

2. Respondent agrees to file a Statement of Registration, Lobbyist Bi-Monthly Reports, and amend and/or file its Client Semi-Annual Reports for the July-December 2014 and January-June 2015 periods, in compliance with § 1-j of the Lobbying Act, within thirty (30) days of the full execution of this Agreement.
3. Respondent agrees (1) to pay to the Commission the amount of ten thousand dollars (\$10,000.00) as follows: \$4,000 at signing of this Agreement, \$3,000 within three months of the signing of this agreement, and the remaining \$3,000 within six months of the signing of this Agreement; (2) to execute a Confession of Judgment in the amount of \$70,000. Respondent shall send payments to the Commission at 540 Broadway, Albany, New York 12207.
4. The Commission agrees to stay the enforcement of the Confession of Judgment. However, if Respondent violates the Lobbying Act within five years from the date of the execution of this agreement, Respondent shall be in breach of this agreement and the Commission may, in its discretion, enforce the Confession of Judgment.
5. 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 future investigations or proceedings.
6. 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.
7. If Respondent fails to timely perform any conditions set forth in the Agreement, Respondent shall be in breach of this Agreement.
8. Notwithstanding the provisions of this Agreement, Respondent understands and acknowledge that the Commission may investigate future alleged violations of the Lobbying Act by Respondent, its officers, and employees, unrelated to the Skelos Prosecution, if any, by Respondent and take appropriate action. Respondent reserves any and all defenses to any such action.
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, and proceed with an enforcement action and issue a new Substantial Basis Investigation Report. 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.
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 form.
12. 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.
13. 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).
14. Respondent consents to the jurisdiction of the Commission in any proceeding to enforce this Agreement.
15. 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.
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 and Respondent 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 enter into this Agreement. Respondent was represented by counsel, Nazish Agha, Esq.

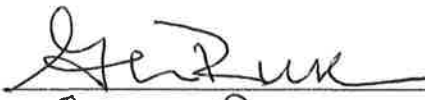
Dated: February 17, 2021



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

ACCEPTED AND AGREED TO
THIS 16th DAY OF FEB, 2021

Respondent: AEWS Engineering LLC

By: 
Name: Glenn Runk
Title: Managing Member

Approved: Michael K. Rozen, Chair

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

Members

Absent: Daniel J. Horwitz
James W. McCarthy