

\$11M spent in NY by casino interests

Written by Administrator

Tuesday, 08 July 2014 03:50 -



A view of the Senate Chamber at the New York State Capitol in Albany. (Photo: Joe Larese / The Journal News)

ALBANY – Four upstate casinos are expected to boost economic development. So far, they've boosted the coffers of lobbyists and lawmakers' campaigns.

Casino gambling interests have doled out more than \$11 million since 2012 to lobbyists and to political campaigns, a review Monday by the New York Public Interest Research Group found.

The nearly two-dozen bidders for four casino licenses north of the lower Hudson Valley and the developers' allies dropped \$6.7 million on lobbying since 2012 and \$4.3 million to state and local political campaigns. The money to political campaigns soared from \$1.2 million in 2012 to nearly \$3.1 million in 2013, the review found.

"Governor Cuomo and the Legislature created a new class of special interests in New York state," said Bill Mahoney, research director for NYPIRG. "There are new opportunities for both elected officials and lobbying firms to raise more money due to the competition over these casinos."

And that's just the money that needs to be reported to the state. State law doesn't require lobbyists to report their work if the populations of the communities in which they are lobbying are less than 50,000 people.

Fifteen of the 16 municipalities that are proposed sites for casinos have populations that fall under the 50,000 resident threshold, the report noted. Only Schenectady has more than 50,000

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residents.

So if a campaign was launched to send a mailer to every person in a town of less than 50,000 people, it wouldn't have to be reported to the state, Mahoney said.

"It thus is impossible to determine the total amount of money spent in attempts to convince local officials to pass resolutions in favor of proposal," the report said.

The lack of disclosure of local lobbying is of particular note because the state Gaming Commission requires statements of local support in order to be eligible for a casino license. So each developer has been pressing local leaders for a stamp of approval.

There's billions of dollars at stake over who lands the four casinos licenses in three regions of the state: the Southern Tier, Catskills/Hudson Valley and Albany area.

Last week, 16 bidders put in applications for 17 casino projects. The state's Gaming Facility Location Board is expected to choose the four winning projects this fall.

On Monday, the board added two new members to reach its full complement of a five-member board. Dennis Glazer, the husband of Westchester County District Attorney Janet DiFiore, and Long Island Association president Kevin Law, an ally to Gov. Andrew Cuomo, were appointed to the board.

The NYPIRG report said that the Genting Group, which owns the Aqueduct Race Track racino in Queens, spent more than any other bidder on both lobbying (\$2.5 million) and campaign contributions (\$984,244) during the two-year stretch, NYPRIG said.

Genting, the Malaysian-based gambling giant, is proposing two casinos in Orange County – including one in Tuxedo that would be 41 miles from midtown Manhattan.

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The second-most spent on campaign contributions was \$705,400 by Tioga Downs, the Southern Tier racino that's one of three bidders for a casino in the region. Jeff Gural, the track's owner, said Monday he was reviewing the report, but believed most of the money went to promote the casino referendum last year that easily passed across the state.

Patricia Lynch Associates, the Albany-based lobbying firm, received nearly \$856,000 from casino interests, the most of any firm.

The report also notes that the New York Gaming Association, a special-interest group made up of the nine racetracks with video-lottery terminals, spent nearly \$1.7 million on lobbying.

Cuomo and the state Legislature voted last year to approve four upstate casinos. Voters last November approved a change to the state constitution that would ultimately allow up to seven privately owned casinos in New York; the other three, after a seven-year waiting period, would likely be in New York City and its suburbs.

The referendum last year helped fuel some of the spending, the report said.

For example, the New York Jobs Now Committee advocated for the casino referendum and received the most money from casino interests, about \$1.9 million. The money went mainly to ads.

Other committees received funding to push for the referendum's approval, including \$327,404 received from a political action committee set up by the Nevele, a bidder for an Ulster County casino.

Cuomo received \$55,000 from casino interests, and GOP gubernatorial foe Rob Astorino, the Westchester County executive, got \$44,000.

The Monroe County Democratic Committee, which is headed by Assembly Majority Leader

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Joseph Morelle, D-Irondequoit, received \$40,000 from gambling interests, and the county GOP received \$24,750.

Sen. Thomas Libous, R-Binghamton, got \$37,300.

The NYPIRG report noted that Cuomo's initial legislation for casinos last year would have banned political contributions from operators and their top employees.

The component of the bill, though, was quietly removed in the final version.

"In fact, the change was made so hastily that some language referencing the nonexistent ban remained in the version that passed and was only removed thanks to a chapter amendment passed with a message of necessity," the report said.

The NYPIRG report also found that some casino bidders used a variety of limited-liability corporations to make campaign contributions and hire lobbyists. It makes it difficult for the public to follow who is contributing to whom, the report suggests.

Rochester-area developer David Flaum, who has casino bids in the Albany area and in Orange County, has a lobbying contract with Albany-based Bolton St. Johns through a company he controls called "Shawanga Lodge, LLC."

Similarly, Traditions Resort and Casino near Binghamton lobbies on "racing and wagering" through a Vestal, Broome County, townhouse company called "Homestead Village Development Group (HVDG)."

Flaum contributed campaign cash through a variety of companies: 12225 Jefferson, LP; 1999 MT RB LLC; 2250 Brighton-Henrietta, LLC; Edgemere Development Inc.; Onondaga Galleries LLC; and The Hague Corp.

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White Plains developer Louis Cappelli wrote checks, the report said, through LC Main LLC; LRC Industries; New Roc Parcel 1A Parking, LLC; and SPM Retail Operating.

Rochester mall magnate Thomas Wilmot made campaign donations through a variety of holdings, such as Greece Town Mall, LP; Pittsford Plaza Co, LP; Rochester Malls, LLC; Syracuse Airport Inn; and The Marketplace.

New York has a LLC campaign-finance loophole, critics have charged, that allows companies to skirt contribution limits.

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