



New York City Comptroller
John C. Liu

NEWS RELEASE

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LIU CALLS ON BLOOMBERG TO CHANGE EDC’S “LAW-BREAKING” CULTURE

Urges Mayor to hold senior Administration officials accountable and open EDC’s books

NEW YORK, NY – City Comptroller John C. Liu today called on Mayor Bloomberg to move swiftly to identify those senior administration officials responsible for orchestrating and overseeing the illegal lobbying activities at the Economic Development Corporation. In a letter to Bloomberg, Liu also called for all of EDC’s finances to be made publicly available online through the Checkbook NYC transparency website.

Liu called on Bloomberg to change the agency’s “law-breaking” culture a day before the EDC was set to hold a public meeting to approve the agency’s restructuring as part of its recent settlement with the New York State Attorney General.

“Installing new leadership and opening the books would help change the EDC’s law-breaking culture, which, as documented in the settlement with the Attorney General, used the agency’s budget as a political slush fund for illegal lobbying,” Liu wrote.

The EDC signed an agreement with the State Attorney General last week in which it admitted to illegally lobbying City Council Members about the Mayor’s economic agenda. However, there has been no move to hold anyone at City Hall or the EDC accountable for these acknowledged illegal activities.

Background:

Comptroller Liu has been an outspoken critic of the EDC, its policies, and the failure of the agency to create jobs — one of its main objectives. Some links to past statements/audits are below:

LIU STATEMENT ON EDC ILLEGAL LOBBYING SETTLEMENT (July 3, 2012)

http://comptroller.nyc.gov/press/2012_releases/pr12-07-082.shtm

LIU: EDC SUBSIDIZES EMPTY JOB PROMISES (March 19, 2012)

http://www.comptroller.nyc.gov/press/2012_releases/pr12-03-025.shtm

LIU STATEMENT ON EDC’S \$100 MILLION SUBSIDY TO FRESH DIRECT (February 14, 2012)

http://www.comptroller.nyc.gov/press/2012_releases/pr12-02-015.shtm

**AUDIT REPORT ON CONEY ISLAND DEVELOPMENT CORPORATION'S
FINANCIAL AND OPERATING PRACTICES** (November 7, 2011)

http://www.comptroller.nyc.gov/bureaus/audit/audits_2011/11-07-11_FM11-070A.shtm

LIU: EDC KEEPS MILLIONS IDLE (Sept. 21, 2011)

http://www.comptroller.nyc.gov/press/2011_releases/pr11-09-075.shtm

LIU STATEMENT ON EDC'S IMMIGRANT ENTREPRENEUR PROGRAM (April 12, 2011)

http://www.comptroller.nyc.gov/press/2011_releases/pr11-04-035.shtm

LIU: CASH DISAPPEARS AT THE WATER CLUB ON EDC'S WATCH (February 9, 2011)

http://www.comptroller.nyc.gov/press/2011_releases/PR11-02-013.shtm

CITY RECAPTURES \$120 MILLION FROM EDC (July 27, 2010)

http://www.comptroller.nyc.gov/press/2010_releases/pr10-07-080.shtm

AUDIT: EDC HOARDS \$125 MILLION OF TAXPAYER MONIES (April 28, 2010)

http://www.comptroller.nyc.gov/press/2010_releases/pr10-04-046.shtm

The full letter from Comptroller Liu to Mayor Bloomberg is below:

July 9, 2012

Honorable Michael R. Bloomberg
Mayor
City Hall
New York, New York 10007

Dear Mayor Bloomberg:

Last week your Administration admitted in a settlement with the New York State Attorney General that the New York City Economic Development Corporation (EDC) knowingly and illegally lobbied City Council members about your development agenda.

The proposed legal restructuring of the EDC, which appears to have been undertaken so that the impermissible lobbying can continue, is clearly insufficient. It amounts to nothing more than business as usual.

To this end, I urge you to move swiftly to identify those senior officials from City Hall and the EDC responsible for the flagrant and repeated law-breaking activities, and hold them accountable. I also urge you to finally open the EDC's books to the public. The EDC's FY 2013 budget is projected to exceed \$800 million. It's time to post all of the EDC's spending online on a daily basis, as other City agencies now do through Checkbook NYC.

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Installing new leadership and opening the books would help change the EDC's law-breaking culture, which, as documented in the settlement with the Attorney General, used the agency's budget as a political slush fund for illegal lobbying.

As someone who has signed into law a number of lobbying reforms and been outspoken on the need for "insulating policymakers from the sway of special and moneyed interests" and strengthening the "taxpayers' faith in their elected and appointed representatives," I trust you agree that accountability and transparency in government are imperative.

These actions are necessary to prevent further waste of taxpayer money. I look forward to your prompt action in these matters.

Sincerely,

John C. Liu

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