

The  
COMMITTEE  
to SAVE **1%**  
NY

How a Small Group of Big Business Interests and Billionaires are Hijacking New York State's Public Policy Agenda on Behalf of the One Percent



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# Executive Summary

The Committee to Save New York established itself as one of the state's most powerful lobbying forces in 2011, spending \$12 million on a public relations campaign pushing budget cuts and other policy proposals closely aligned with Governor Andrew Cuomo's agenda – the fifth most costly one-year lobbying effort ever conducted by a single organization in Albany.<sup>1</sup> The Committee once again embarked on a massive political spending spree in 2012.

Despite its power, much remains unknown about the Committee, which declines to disclose its donor list. Recent press reports have identified several donors, including casino gambling interests. These reports have suggested that the organization acted as a front group for these interests as they pushed to legalize casino gambling in New York State. But much of the money behind the Committee remains in the shadows.

This report takes a closer look at the powerful forces behind the Committee and their playbook for “saving” New York. The Committee's backers are primarily big business interests, billionaires, and other leading lights of New York State's “one percent.” They played a key role in crashing New York's economy through their own style of gambling, won billions in government bailouts, but now insist on “fiscal responsibility” for the rest of the state. Though the Committee frames its agenda as altruistic and public-minded, its backers stand to profit substantially from the policies for which it advocates. These policy payoffs include not just casino gambling legalization, but pension reform, new and continued corporate tax loopholes, and favorable development policies. The report includes the following sections:

**Part 1: Who Rules the Committee?** This section takes a closer look at main forces behind the Committee: Committee donors whose names have been reported in the press, as well as three key business associations behind the Committee – the Partnership for New York City, the Real Estate Board of New York, and the Business Council of New York State. Each of these organizations played an early role in organizing the Committee, funding it, and governing it. This section also examines the Cuomo administration's ties to the Committee. Though the Committee and Cuomo administration once denied coordinating, recent reports in the New York Times have revealed coordination, and the Cuomo administration now claims that “such coordination with elected officials is wholly proper, common, and necessary.”<sup>2</sup>

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<sup>1</sup> <http://polhudson.lohudblogs.com/2012/03/12/committee-to-save-new-york-hits-airwaves-on-tier-vi/>

<sup>2</sup> <http://www.nytimes.com/2012/06/06/nyregion/bloomberg-defends-cuomo-on-his-ties-to-lobbying-group.html>

**Part 2: Speculation and Bailouts.** The second section notes that the key forces behind the Committee to Save New York sent the economy into a tailspin in 2008 due to unchecked speculation, then received \$167 billion in bailouts from the federal government. One of the largest donors to the Committee, real estate firm Tishman Speyer, also received a bailout from the Federal Reserve Bank of New York. This speculation continues unabated. Committee donor JPMorgan Chase and its CEO, Jamie Dimon, have recently racked up \$3 billion in trading losses. According to *Capital New York*, “the seeds of the pro-Cuomo lobbying giant known as the Committee to Save New York were sewn in 2009” – in a meeting at JPMorgan’s offices.

**Part 3: Policy Payoffs.** The third section examines the ways in which the Committee’s support for the Cuomo administration has paid off since its formation in late 2010. The *New York Times* recently revealed that the Committee had accepted large donations from gambling interests before supporting casino gambling in New York State in late 2011, as Governor Cuomo was shaping his gambling policy proposal. The Committee’s backers stand to benefit from other policies continued, implemented, or proposed during the Cuomo administration, including low tax rates, subsidies, pension reform, and real estate development policies:

- **Pension reform: huge fee payoffs.** The “pension reform” proposal backed by the Committee and Cuomo administration in 2012 would have dramatically increased revenue for Wall Street by disaggregating pension funds into private accounts with much higher fees. Wall Street financial firms backing the Committee stand to make **2-10 times more in fees** from this system than a defined benefit system, potentially translating into billions in fees.
- **Corporate taxes: billions in new and continued loopholes.** The Committee’s anti-tax stance helps protect Committee-linked firms from corporate tax reforms that would close loopholes and raise corporate tax rates. The Cuomo administration’s reluctance to close corporate tax loopholes has translated into billions in lost revenue for the state – and billions in pure profit for Committee-linked companies; the report documents **\$16 billion in state income tax avoidance** by the companies from 2008-2010, on top of \$101 billion in federal income tax dodging. One Committee-linked firm, BlackRock, won a new \$15 million loophole in this year’s budget.
- **Subsidies: continued unaccountable giveaways.** Committee-linked companies continue to benefit from economic development subsidy deals that could be renegotiated or discharged during a period of extreme fiscal hardship for the state. Committee-linked companies have been approved for \$2 billion in subsidies over the past twenty years, and some have failed to meet jobs promises associated with these subsidies.

- **Casino gambling: favorable regulations.** Committee donors would benefit from the Cuomo administration’s casino gambling policies, including Malaysian casino giant Genting and the New York Gaming Association. As the *New York Times* reported, the Cuomo administration directed these interests to give to the Committee, and subsequently endorsed a Genting proposal to build a casino and convention center in Queens.
- **Real estate development: new speculation opportunities in Manhattan.** Media reports have overlooked one potential payoff from the Genting casino deal, which would involve tearing down the Jacob K. Javits Convention Center and replacing it with private development. New York real estate interests have long wanted Javits to be torn down in order to open up valuable land for private real estate development in midtown Manhattan. Several Committee backers are associated with the Regional Plan Association (RPA) which claims credit for the plan to tear down Javits. Douglas Durst of the Durst Organization, a Committee backer, is affiliated with RPA and has voiced interest in the Javits parcels.

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This report serves as an update to “The Committee to Scam New York: How the Committee to Save New York’s Corporate Elites Dodge Taxes, Score Handouts, Get Bailed Out, and Still Want More,” a report released last year in partnership with the New Deal for New York campaign, a coalition of community-based organizations located throughout New York State. This report was produced in partnership with New Yorkers for Fiscal Fairness.

Data has been updated to reflect personnel changes at each of the organizations and corporations discussed in the report, as well as other changes that have occurred since that report was released in February 2011.

# I. Who Rules the Committee?

Since the Committee to Save New York formed in late 2010, it has gone to great lengths to portray itself as a diverse, statewide network of average “citizens and taxpayers” campaigning for fiscal responsibility in New York State.<sup>3</sup>

At the same time, the Committee has declined to disclose its donor list, raising questions about who is backing the group. The group filed a tax return in May, revealing that it had raised nearly \$17.5 million in 2011 from 74 sources – an average contribution of over \$230,000, hardly average “citizen and taxpayer” numbers. Recent press reports have identified several high-powered donors, including casino gambling interests, the Partnership, and real estate developers. The majority of the group’s donors have not yet been identified, however.

In the absence of full disclosure, an analysis of press reports and public records sheds light on the power structure behind the Committee: the decision makers and power brokers shaping its agenda and funding its public relations campaign.

## The Sham Board and the Real Board

When the Committee announced its board, in January 2011, it included representatives of regional chambers of commerce throughout the state, as well as a diverse group of co-chairs. Committee organizer Kathryn Wylde, who heads the Partnership for New York City, said that there are “no nefarious agents” at the Committee, and stressed that the board included upstanding citizens such as the Reverend Calvin Butts.

It may have been true last year the Committee’s “political strength is its breadth,” as *Capital New York* wrote at the time, but the board Wylde pointed to as evidence of this has been revealed to be something of a ruse – a collection of figureheads, with no formal power over the organization.<sup>4</sup>

The *Wall Street Journal* reported in December that the individuals listed as board members on the Committee’s website, [letsfixalbany.org](http://letsfixalbany.org), were actually advisory board members.<sup>5</sup> Decisions at the Committee are made by a three-member executive committee composed of Wylde, Real Estate Board of New York (REBNY) president Steven Spinola, and Tishman Speyer CEO Rob Speyer (also a large donor to the Committee). The Partnership represents big business CEOs in New York City, and

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<sup>3</sup> <http://letsfixalbany.org>

<sup>4</sup> <http://www.capitalnewyork.com/article/politics/2011/01/1178882/governors-lobby-business-leaders-and-others-form-committee-save-cuo>

<sup>5</sup> <http://online.wsj.com/article/SB10001424052970204720204577127201606248794.html>



REBNY represents wealthy real estate interests, including many billionaires. Notably, Speyer’s father Jerry sits on the board of both REBNY and the Partnership.

The Committee’s website has been updated to reflect this reality, and the group’s 990 also lists the three as board members. However, the Committee’s old board of directors page is still available at <http://www.letsfixalbany.org/board-members>. The board is entirely different from the board reported on the tax return, and is not identified as an “advisory” board on the site.

Wylde, Spinola, and Speyer represent the “powers that be” behind the Committee to Save New York: elite big business and real estate interests.

## Identified Donors

While the Committee to Save New York does not disclose its donors, press reports have named a number of individuals and groups that have donated funds to the Committee.

### IDENTIFIED DONORS TO THE COMMITTEE TO SAVE NEW YORK

<u>Donor</u>	<u>Tie to Big 3 Boards</u>	<u>Amount</u>	<u>Source</u>
Genting		\$400,000	NYT 6/2012
New York Gaming Association	REBNY	\$2,000,000	NYT 6/2012
Partnership for New York City	Partnership, REBNY, BC	\$3,000,000	NYT 6/2012
Durst Organization	REBNY	\$200,000	NYT 1/2011
Tishman Speyer	REBNY, Partnership	\$1,000,000	NYT 1/2011
Stephen M Ross	REBNY, Partnership	unknown	NYT 1/2011
Larry Silverstein	REBNY	unknown	Crain’s 1/2011
Mason Tenderers District Council, Laborers Eastern Region		\$500,000	NYT 6/2012
Citigroup	Partnership	\$25,000	NYT 6/2012
JPMorgan Chase	Partnership	\$25,000	NYT 6/2012
Business Council of New York State	BC, Partnership	unknown	Dem & Chron 6/2012
Brookfield Properties	REBNY	unknown	NYT 6/2012
Newmark Knight Frank	REBNY, Partnership	unknown	NYT 6/2012
Buffalo Niagara Partnership	BC	\$800,000	Buffalo News 6/2012
Jeff Gural	REBNY	\$200,000	NYT 6/2012
<u>Total Known</u>		<u>\$8,150,000</u>	

The table above shows a list of donors that have been reported to date. The Committee's largest donors in 2011 were the Partnership for New York City, headed by Wylde, and the New York Gaming Association. A number of donors associated with the Real Estate Board of New York also gave money to the Committee, and the Business Council of New York State bundled an unspecified amount for the Committee. Other donors include Malaysian casino company Genting, the Buffalo Niagara Partnership, and several building trades unions.<sup>6</sup>

However, more than half of the Committee's \$17.5 million take in 2011 remains unaccounted for, and less than a third of the Committee's 74 donors have been named in the press.

## The Boards Behind the Committee

In the absence of real transparency about who is backing the Committee, it is necessary to look at the boards of the groups that have guided the Committee from the beginning – rather than the Committee's figurehead board – in order to get a sense of who really rules the Committee to Save New York.

The Real Estate Board of New York, the Partnership for New York City, and the Business Council for New York State each made an intentional, organizational decision to co-found the Committee in 2010, answering the call of Cuomo, who had asked business community leadership to form a “counterweight” to labor during the upcoming budget fight.<sup>7</sup>

Spinola and Wylde, in their capacities as the heads of REBNY and the Partnership, have long been understood to be the Committee's lead organizers. Early press reports on the Committee cited the Partnership and REBNY as the main forces behind the committee. These reports also mentioned the Business Council of New York State and its former president, Ken Adams, as playing an important, early role in its formation.<sup>8</sup> Adams left the Business Council when Cuomo appointed him president of Empire State Development in early 2011.

The Business Council's president, Heather Briccetti, has since joined the Committee to Save New York board, and Business Council board member Marsha Gordon is also on the Committee's board. While the Business Council does not have a seat on the executive committee, it was an important, early backer of the Committee, and for

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<sup>6</sup> Though some press reports have described the group as a “business and labor” coalition, less than 3% of the group's funds appear to have been donated by labor unions.

<sup>7</sup> “Cuomo Draws Business Help in Union Fight,” *Wall Street Journal*, December 1, 2010.

<sup>8</sup> See “Cuomo Draws...” and NYT: <http://www.nytimes.com/2010/12/10/nyregion/10unions.html>

that reason is included in the analysis on the following pages. The Business Council also bundled contributions for the Committee.<sup>9</sup>

In organizing the Committee, Wylde, Spinola, and Adams acted on behalf of their organizations' members, and in particular, the governing boards that employ them, when they decided to organize the Committee.

The Partnership for New York City's board, for one, was intimately aware of plans for the Committee at early stages of the organizing process. The first article on the group, which appeared in the *Wall Street Journal* on December 1, 2010, noted that Cuomo had been updated on plans for the Committee at a gathering of the Partnership's board.<sup>10</sup> Through early 2011, Cuomo had received \$527,973 from 14 Partnership board members, more money than any other politician.<sup>11</sup>

The Partnership's board is composed largely of CEOs of multinational corporations based in New York City, ranging from Goldman Sachs' Lloyd Blankfein to Rupert Murdoch of News Corp. It is somewhat unusual for them to wade into the state budget process, but Wylde told Dicker in the January 2011 radio interview that the big business CEOs had been inspired by Cuomo's strategy:

“Frankly for the big, international corporations that are in the city, they kind of gave up on Albany a while ago, they deal with their own company, or business issues, their trade association issues, but in terms of the fiscal condition of the state, it's been hard to get them engaged. I think Cuomo has provided an inspiration to re-engage a lot of New Yorkers who had kind of given up.”<sup>12</sup>

The Partnership was the Committee's biggest backer in 2011, donating \$3 million to the organization. The Business Council of New York State bundled contributions, and many Committee donors are REBNY members.

Cuomo has inspired a select group of multinational CEOs and real estate magnates with his policies, but they do not exactly represent average New Yorkers. The combined board membership of REBNY, the Partnership, and the Business Council – the business community leadership that approved of the creation of the Committee to Save New York – numbers almost 270.<sup>13</sup> Together, they represent New York's

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<sup>9</sup> <http://blogs.democratandchronicle.com/voteup/2012/06/06/state-business-council-bundled-for-cuomo-backed-committee/>

<sup>10</sup> “Cuomo Draws Business Help in Union Fight,” *Wall Street Journal*, December 1, 2010.

<sup>11</sup> [http://littlesis.org/org/37068/The\\_Partnership\\_for\\_New\\_York\\_City/giving/page/2](http://littlesis.org/org/37068/The_Partnership_for_New_York_City/giving/page/2)

<sup>12</sup> <http://www.talk1300.com/CMT/podcast/FREDJAN19PODCAST.mp3>

<sup>13</sup> To explore the full list, go here: [http://littlesis.org/list/261/CSNY\\_Extended\\_Family%2C\\_2012](http://littlesis.org/list/261/CSNY_Extended_Family%2C_2012) The Partnership for New York City stopped posting its board list prominently on its website last year. The board list used for this report was found here: [http://www.pfnyc.org/reports/pfnyc\\_brochure.pdf](http://www.pfnyc.org/reports/pfnyc_brochure.pdf)

wealthiest and most powerful corporate interests, the crème de la crème of the 1% elite targeted by the Occupy movement. The following are some key characteristics of the group:

- **Billionaires.** There are 14 members of Forbes' list of the Richest 400 Americans on the list: Leon Black, Steven Roth, Rupert Murdoch, Stephen Schwarzman, Richard LeFrak, John Paulson, Stephen Ross, David Rockefeller, Mortimer Zuckerman, Jerry Speyer, Wilbur Ross, Henry Kravis, Leonard Stern, and Sheldon Solow.
- **Big businesses.** General Electric, Bank of America, and JPMorgan Chase each have three representatives on the list, more than any other business. Individuals in the group are executives at or sit on the boards of 31 of the top 100 corporations in America (by Fortune's measure).
- **Financial institutions.** Goldman Sachs has seven past or present executives on the list, more than any other business. Citigroup is next, with six.
- **The Fed.** The Federal Reserve Bank of New York has ties to three members of the list, more than any other government organization. Partnership board member James Tisch recently left the Federal Reserve board.

The Committee provides a unique organization through which these elite interests can coordinate on budget matters. Though they may or may not be supporting the group directly with financial contributions, each member of the group approved of the Committee in their capacity as REBNY, Partnership, and Business Council board members.<sup>14</sup>

The heads of REBNY, the Partnership, and the Business Council are generously compensated for their activities on behalf of these interests. Wylde was paid \$726,946 last year to represent the interests of Partnership for New York City members; Spinola was paid \$675,889 to represent the interests of REBNY members.<sup>15</sup> Their salaries place them in the top 0.5% of US income earners. Business Council of New York State CEO Heather Briccetti made somewhat less in 2010 (\$237,000), but had not yet been named to her post.<sup>16</sup>

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<sup>14</sup> Several of the Committee's funders have been disclosed in press reports, including the Durst Organization, Tishman Speyer, and Larry Silverstein – each have ties to REBNY, and Tishman Speyer has ties to the Partnership through Jerry Speyer.

<http://www.crainsnewyork.com/article/20110109/FREE/301099968>

<sup>15</sup> Partnership for New York City 990: <http://www.guidestar.org/FinDocuments/2010/133/056/2010-133056559-07cd3307-90.pdf>

<sup>16</sup> <http://www.guidestar.org/FinDocuments/2010/141/401/2010-141401680-07785d6b-90.pdf>

## The Committee's Agenda

While the Committee attempts to frame its message in terms of “fiscal discipline” and “fiscal sanity,” the group’s anti-tax, anti-spending agenda aligns neatly with the interests of its backers.<sup>17</sup>

The interests behind the Committee benefit disproportionately from low corporate and personal income tax rates, continued business subsidies, and spending cuts, which generally target public employees and New Yorkers with the greatest need. As noted above, the Committee has made various attempts to disguise the profit motive underlying their anti-tax, anti-spending agenda by enlisting policy elites such as former comptroller H. Carl McCall. But the Committee’s backers are the chief beneficiaries of budgets that are supposedly “fiscally sane,” yet really just shift financial burdens onto everyone else.

In 2011, the Committee spent nearly \$12 million on a range of lobbying and public relations efforts designed to support various aspects of Governor Cuomo’s agenda. By addressing budget problems through spending cuts, rather than tax increases, the agenda benefits the Committee’s backers. Agenda points included:

- **Budget Cuts.** The Committee’s primary goal in early 2011 was ensuring the passage of Cuomo’s budget; it announced plans to spend \$10 million on pro-Cuomo advertising during the budget debates, but the legislation encountered less resistance than expected, leaving a surplus of funds. Still, the Committee spent \$7.4 million between January and May, including \$5.8 million on advertising.<sup>18</sup>
- **Education Cuts.** Other TV ads sponsored by CSNY in 2011 criticized wasteful education spending, just as Cuomo was defending his proposal to cut \$1.5 billion from state education spending.<sup>19</sup>
- **Casino Gambling Expansion.** The Committee also included in its legislative agenda for 2012 support for the governor’s plan to loosen restrictions on gambling to allow full-scale casino operations. The *New York Times* revealed in June 2012 that the Committee supported these plans after revealing significant donations from gambling interests.
- **Property Tax Cap & Millionaire’s Tax Repeal.** The remainder of the Committee’s advertising budget for 2011 was devoted to supporting Cuomo’s

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<sup>17</sup> Both phrases drawn from [letsfixalbany.org](http://letsfixalbany.org).

<sup>18</sup> <http://cityroom.blogs.nytimes.com/2011/05/16/group-spent-nearly-5-million-backing-cuomo-budget/>

<sup>19</sup> <http://blog.timesunion.com/capitol/archives/61041/save-ny-now-airs-on-school-money/>

plan for a 2% property-tax cap (passed)<sup>20</sup>, and advocating against an extension of the so-called “millionaires tax” (failed, in part).<sup>21</sup>

The Committee has continued its efforts in 2012, launching a major new campaign in coordination with Cuomo’s push for pension cuts and so-called “mandate relief” initiative, and applauding him when a deal came to pass.<sup>22</sup> In early March, it spent a reported \$2.5 million on an ad buy in support of Cuomo’s agenda.

The Committee’s backers are also some of the state’s biggest beneficiaries of tax loopholes, bank bailouts, and corporate subsidies, all of which are detailed in the pages to follow. The billions in government giveaways that they receive could serve as vital sources of revenue for the state budget, but have been ignored by Cuomo – and the Committee, of course – in favor of spending cuts.

The Committee should be understood in the context of larger trends in the “fiscal reform” space. Coalitions of big business interests have formed in other parts of the country to fight for the same supposed values of fiscal discipline. The Think Long Committee in California, led by a group of billionaires and corporate elites, proposed a fiscal plan for California that involved a combination of corporate income tax cuts and service tax hikes that would shift the tax burden down the income ladder.<sup>23</sup>

There are also numerous groups focused on the federal budget deficit, at the national level: the Comeback America Initiative, the Committee for a Responsible Federal Budget, and the Concord Coalition, to name just a few. The groups tend to be guided by corporate elites and billionaires such as Blackstone Group founder Pete Peterson; they also tend to focus on entitlement cuts as the route to “fiscal sanity,” rather than tax hikes on corporations and the wealthy.

## Coordination with Governor Cuomo

The Committee is tightly linked with the Cuomo administration. Though it is formally independent of the Governor’s office, it was established in 2010 at the urging of Cuomo, then a gubernatorial candidate.<sup>24</sup> Cuomo was also briefed on plans for the Committee at a Partnership board meeting in fall 2010.

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<sup>20</sup> <http://www.capitaltonight.com/2011/05/committee-to-save-nys-latest-pro-cap-ad-digging/>

<sup>21</sup> <http://www.capitaltonight.com/2011/04/spinola-csnys-effort-not-over/>

<sup>22</sup> <http://polhudson.lohudblogs.com/2012/03/12/committee-to-save-new-york-hits-airwaves-on-tier-vi/>

<sup>23</sup> [http://www.huffingtonpost.com/2011/11/21/think-long-committee\\_n\\_1106120.html](http://www.huffingtonpost.com/2011/11/21/think-long-committee_n_1106120.html)

<sup>24</sup> <http://www.nytimes.com/2011/01/18/nyregion/18cuomo.html>

The Committee gives its elite backers a unique platform for coordinating with each other and with the Cuomo administration.<sup>25</sup> Prior to June 2012, the Cuomo administration had denied coordinating with the Committee, and the Committee had denied coordinating with the Cuomo administration:

*Wall Street Journal*, 12/29/2011: Josh Vlasto, a spokesman for Mr. Cuomo, **said the governor hasn't coordinated his policies with the group.** Michael McKeon, a spokesman for the group, also said the **committee doesn't coordinate its efforts with Mr. Cuomo.** Mr. McKeon wouldn't discuss details of the advertising buy, nor who was donating to its campaign this year. [emphasis added]

The Cuomo administration reversed these claims after the *New York Times* revealed that the Cuomo administration had directed casino gambling interests to donate to the Committee, and had subsequently supported casino gambling legalization:

*New York Times*, 6/5/2012: “For an issue advocacy and lobbying organization such as C.S.N.Y. — a 501(c)(4) nonprofit corporation and not a PAC or ‘political committee’ — **such coordination with elected officials is wholly proper, common, and necessary,**” Richard Bamberger, Mr. Cuomo’s communications director, and Jeremy Creelan, the governor’s special counsel, wrote in a letter to The New York Times late Monday. [emphasis added]

Besides marching in lockstep with Cuomo’s agenda over the past year, the Committee has a number of close ties to Cuomo through its lobbyists, which likely facilitate coordination and open lines of communication. In late 2011, it retained lobbying firm Mercury Public Affairs and partner Michael McKeon. McKeon, a former spokesperson for Republican Governor George Pataki, was the executive director of Republicans for Cuomo during the 2010 campaign.

Prior to Mercury, the Committee retained public relations firm DKC, which has ties to Cuomo through its chairman, Dan Klores, a close friend of the governor. DKC managing director William Cunningham, who handled the Committee account, worked on Mario Cuomo’s 1983 campaign for governor with Andrew Cuomo, as well. DKC’s John Marino is close to Cuomo, having served as a campaign adviser

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<sup>25</sup> From “Group Allied with Cuomo Tops Albany Spending List,” *New York Times*, March 28, 2012: Mr. Cuomo and the committee have long insisted that they do not coordinate with each other, though the committee has almost uniformly supported the governor’s positions. The home page of its Web site on Tuesday had a 32-second video clip promoting Mr. Cuomo’s budget, the details of which were agreed upon by legislative leaders that afternoon.

on three of Mario Cuomo’s campaigns.<sup>26</sup> The Committee also retained DKC’s Allison Lee as a lobbyist. As HUD Secretary, Cuomo appointed Lee as his “Acting Secretary’s Representative for New York and New Jersey.”<sup>27</sup> The Committee dropped DKC as its lobbyist in late 2011.<sup>28</sup>

Many individuals linked to the Committee have given substantial sums to Cuomo. One of the Committee’s three board members, Rob Speyer, maxed out to Cuomo during the 2010 cycle, giving \$55,900, and subsequently began organizing the Committee.<sup>29</sup> Speyer’s real estate firm, Tishman Speyer, incorporated the Committee in late 2010 and pledged \$1 million in contributions.

Many individuals and corporations linked to the Committee gave more than \$50,000 to Andrew Cuomo between 2009 and 2011 (this figure includes contributions from spouses). The top ten Committee-linked contributors gave a combined \$998,893 to Cuomo during that time period, and are listed below:

TOP TEN CSNY-LINKED DONORS

<u>Name</u>	<u>Description</u>	<u>Ties to Big 3 Boards</u>	<u>Donations to Cuomo, 2009-2011</u>
Steven Roth (and spouse, Daryl Roth)	Chairman of Vornado Realty	Partnership	\$170,001
Daniel R Tishman (and spouse, Sheryl Tishman)	Chairman and CEO of Tishman Construction	REBNY	117,200
Barry Gosin (and spouse Jackie)	CEO, Newmark Knight Frank	Partnership	115,438
Jeffrey R Gural (and spouse Paula Gural)	Chairman of Newmark Knight Frank	REBNY	112,000
Jerry Speyer (and spouse Katherine Farley)	Founder of Tishman Speyer	Partnership, REBNY	100,000
Howard W Lutnick (and spouse Allison)	CEO, Cantor Fitzgerald	Partnership	91,000
Aby Rosen (and spouse Samantha Boardman)	Co-founder, RFR Holding	REBNY	85,900
Howard J Rubenstein (and spouse Amy)	President, Rubenstein Associates, Inc.	Partnership, REBNY	79,673
John E Zuccotti (and spouse Susan)	Real estate lawyer at Weil, Gotshal, Manges LLP	REBNY	71,781
Rob Speyer	Co-CEO of real estate firm Tishman Speyer	REBNY	55,900

<sup>26</sup> <http://www.villagevoice.com/2010-11-10/news/andrew-cuomo-goes-to-albany-where-lobbyists-are-waiting/>

<sup>27</sup> <http://www.scribd.com/doc/19609641/DKC-Govt-Affairs>

<sup>28</sup> <http://www.capitaltonight.com/2011/11/committee-to-save-ny-loses-dkc/>

<sup>29</sup> All contribution info from <http://www.elections.ny.gov>



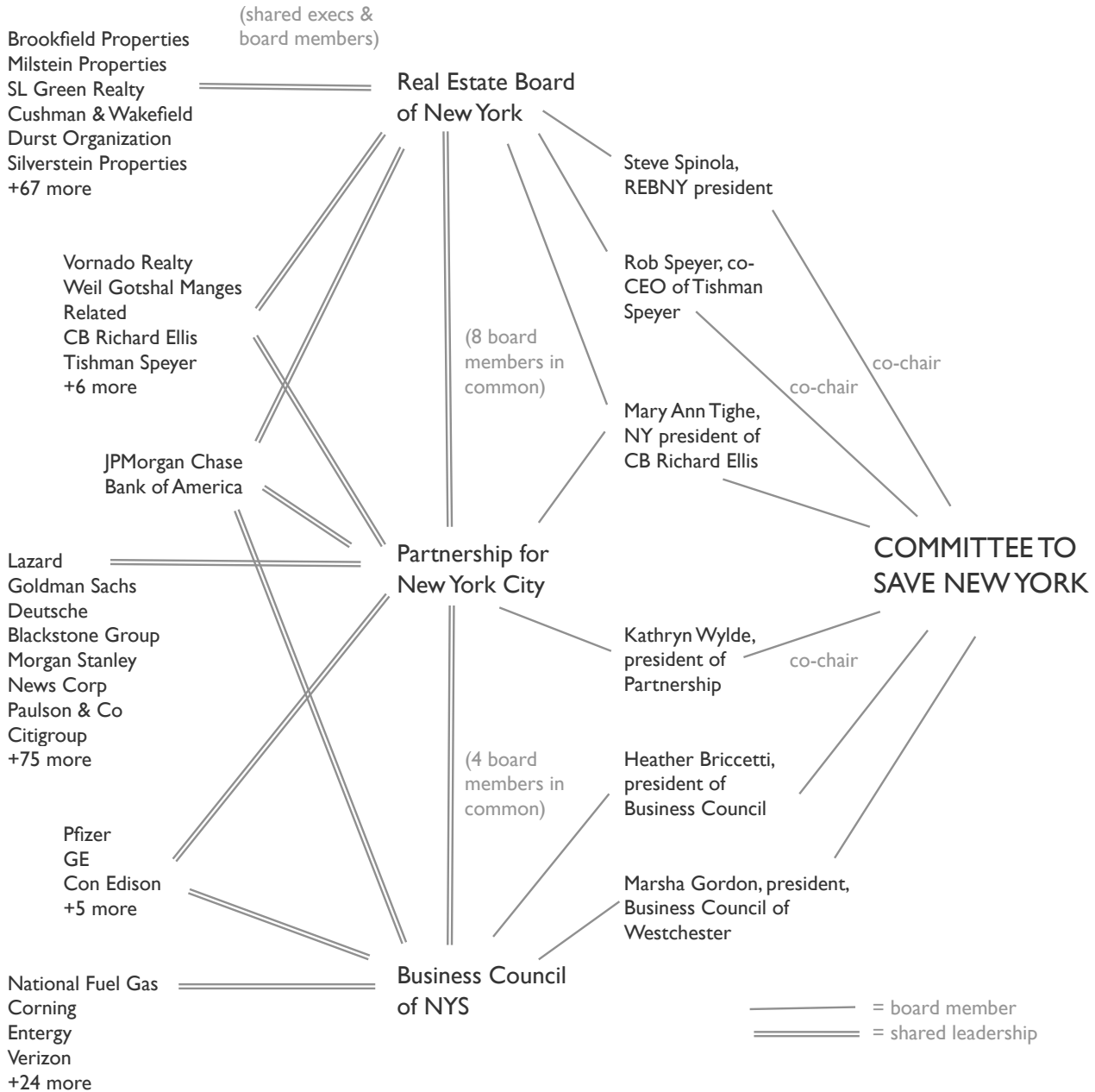
COMMITTEE TO SAVE NEW YORK BOARD MEMBERS, PAST AND PRESENT

<u>Board member</u>	<u>Description</u>	<u>P</u>	<u>R</u>	<u>B</u>	<u>Press</u>	<u>Former</u>
Kathryn S. Wylde (co-chair)	President & CEO, Partnership for New York City	✓			✓	
Rob Speyer (co-chair)	President & Co-CEO, Tishman Speyer	✓	✓		✓	
Mary Ann Tighe	CEO, NY Tri-State Region, CB Richard Ellis	✓	✓		✓	
Steven Spinola (co-chair)	President, Real Estate Board of New York		✓		✓	
Felix G. Rohatyn (former honorary chairman)	Special Advisor to the Chairman & CEO, Lazard Ltd				✓	✓
H. Carl McCall	SUNY Chair; Principal, Convent Capital, LLC and Former NYS Comptroller				✓	✓
Ken Adams	Cuomo's appointee to lead Empire State Development Corp; former president of Business Council			✓	✓	✓
Richard Parsons	Chairman of Citigroup; adviser at Providence Equity Partners	✓			✓	✓
Heather Briccetti	Acting-president and CEO, The Business Council of NYS			✓		
Dr. Marsha Gordon	President and CEO, Business Council of Westchester			✓		
Gary LaBarbera	President, Building & Construction Trades Council of Greater New York				✓	
Sandra Parker	President & CEO, Rochester Business Alliance					
Dr. Calvin O. Butts III	President, SUNY College at Old Westbury and Pastor, The Abyssinian Baptist Church					
Garry Douglas	President and CEO, North Country Chamber of Commerce					
Kevin S. Law	President and CEO, Long Island Association					
Andrew J. Rudnick	President and CEO, Buffalo Niagara Partnership					
Robert Simpson	President and CEO, CenterState Corporation for Economic Opportunity					
Elizabeth Velez	President, Velez Organization					

Note: The table includes current and former Committee to Save New York board members and their affiliations. Aside from co-chairs, all board members are listed as members of the Committee's "advisory board." A checkmark in the "press" column means the individual's name appeared in early press reports on the Committee; "former" means the individual is no longer associated with the Committee; "P" means the individual is a board member of the Partnership for New York City; "R" means the same for the Real Estate Board of New York; "B" means Business Council of New York State.

# WHO IS BEHIND THE COMMITTEE TO SAVE NEW YORK?

BIG BUSINESSES → INDUSTRY GROUPS → PUBLIC FACE



\$167 billion in BAILOUTS  
 \$117 billion in TAX DODGING  
 1,716 TAX SHELTERS  
 \$2 billion in SUBSIDIES



MILLIONS in LOBBYING for  
 PENSION CUTS  
 EDUCATION CUTS  
 HEALTHCARE CUTS  
 CORPORATE TAX BREAKS

## II. Speculation and Bailouts

The casino gambling industry's role in the Committee to Save New York was only recently disclosed, but the fiscal responsibility organization has had strong ties to another sort of gambling industry since its inception: Wall Street.

Businesses linked to the Committee to Save New York through the Partnership for New York City, the Real Estate Board of New York, and the Business Council of New York State – including many of the country's biggest banks – played a leading role in causing the economic crash of 2008. These businesses were also some of the top beneficiaries of the Wall Street bailouts that began in 2008.

As part of TARP, 11 financial firms currently associated with the Committee received **\$167 billion in taxpayer assistance**. Though some of these bailout amounts have been returned, many of these banks would no longer exist were it not for this massive and unprecedented direct government aid.

Furthermore, the Federal Reserve Bank of New York extended bailout financing to the financial firms associated with the Committee at the height of the financial crisis. For instance, the Fed made \$24.2 billion in overnight emergency loans to Goldman Sachs on October 15, 2008.<sup>30</sup> Morgan Stanley drew support from the Fed's "Primary Dealer Credit Facility" 212 times between March 2008 and March 2009, more than any other bank.<sup>31</sup> Both firms retain seats on the Partnership for New York City's board.

Three members of the Partnership for New York City's board have positions at the Federal Reserve Bank of New York: CEO Kathryn Wylde and JPMorgan Chase CEO Jamie Dimon are directors, and William Dudley, an ex officio member of the Partnership's board, is President.

### Tishman Speyer

Tishman Speyer has been at the center of the Committee to Save New York since its inception – incorporating the group, pledging \$1 million, and retaining a seat on its board. Like many other Committee-linked companies, it has engaged in speculation that resulted in major public losses. And it has also received significant assistance from the government.

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<sup>30</sup> <http://www.bloomberg.com/news/2010-12-01/goldman-sachs-emergency-fed-loans-topped-24-billion-in-crisis.html>

<sup>31</sup> <http://blogs.wsj.com/economics/2010/12/01/goldman-citi-morgan-stanley-used-fed-facilities-heavily/>

Tishman Speyer and another Committee-linked company, BlackRock, purchased Stuyvesant Town and Peter Cooper Village in Manhattan for a record \$5.4 billion in 2007. Three years later, Tishman Speyer and BlackRock defaulted on their loans and walked away from the property. The firms' losses on the deal totaled \$112 million each, far less than the losses of public pension funds including the California Public Employees Retirement System (CALPERS), which lost \$500 million on the investment's collapse.<sup>32</sup>

In June 2010, the Federal Reserve Bank of New York restructured loans to Tishman Speyer covering a Chicago commercial real estate portfolio.<sup>33</sup> The loans had previously been on a “zombie” list. The maturity date on the loans was extended, and the agreement freed up \$100 million for tenant improvements and leasing commissions.

## JPMorgan Chase

JPMorgan Chase played a special role in the formation of the Committee to Save New York. According to *Capital New York*, “the seeds of the pro-Cuomo lobbying giant known as the Committee to Save New York were sewn in 2009” – at a breakfast forum at JPMorgan Chase's offices.<sup>34</sup> That year – just one year after the 2008 crash – the coalition of real estate and business interests settled on a “constructively anti-tax” message, in the words of Wylde. The next year, the same coalition formed the Committee to Save New York. In June 2012, the *New York Times* revealed that JPMorgan Chase was a donor to the Committee.

JPMorgan Chase's role in the formation of the Committee is notable because the bank and its CEO, Jamie Dimon, were thrust into the spotlight in May 2012 due to a multi-billion dollar trading loss. The bank has apparently continued to engage in the financial speculation that led to the crash of 2008 and led to government bailouts, including a \$25 billion bailout of its own. Dimon referred to TARP as “cheap capital” in 2008, but now claims he only took these funds at Treasury's request.<sup>35</sup>

## Lobbying Against Financial Regulation

On the heels of these bailouts, many Committee-linked individuals and businesses have lobbied against regulations that would limit speculation – and the possibility of future crashes.

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<sup>32</sup> <http://www.nytimes.com/2010/01/26/nyregion/26stuy.html?pagewanted=all>

<sup>33</sup> [http://www.craigslist.com/article/20100604/REAL\\_ESTATE/100609923](http://www.craigslist.com/article/20100604/REAL_ESTATE/100609923)

<sup>34</sup> <http://www.capitalnewyork.com/article/politics/2011/01/1178882/governors-lobby-business-leaders-and-others-form-committee-save-cuo>

<sup>35</sup> <http://documents.foodandwaterwatch.org/doc/NewYorkJobCreationFromShaleGas.pdf>

An April 2011 trip to Washington by the president and many board members of the Partnership for New York City – the Committee’s biggest backer – is especially notable. The delegation met with Treasury Secretary Timothy Geithner about “systemic risk.” The delegation included Partnership CEO and Committee board member Kathryn Wylde and Partnership board members Robert Wolf, Seth Waugh, John Paulson, Terry Lundgren, Henry Kravis, and Mark Gallogly. A JPMorgan Chase executive, Jes Staley, was also present.

BAILOUT RECIPIENTS LINKED TO THE COMMITTEE

<u>TARP RECIPIENT</u>	<u>COMMITTEE AFFILIATE</u>	<u>DISBURSED</u>
Bank of America	Thomas Montag, president of global banking (P); Kevin Murphy, Buffalo market president (B); Steven Kenny, commercial real estate exec (R)	\$45 bn
Citigroup	Vikram S. Pandit, CEO (P); Richard Parsons, chairman (P)	\$45 bn
Wells Fargo	Alan Wiener, group head, multifamily capital (R)	\$25 bn
JPMorgan Chase	James Dimon, CEO (P); Gregory Reimers, REB market manager (R); Michael Nevins, SVP govt banking (B)	\$25 bn
Goldman Sachs	Lloyd C. Blankfein, CEO (P)	\$10 bn
Morgan Stanley	James P. Gorman, CEO (P); David Heleniak, vice chairman (P)	\$10 bn
American Express	Kenneth I. Chenault, chairman and CEO (P)	\$3 bn
KeyCorp	Hugh Donlon, president, NE region (B)	\$2.5 bn
BlackRock	Lawrence D. Fink, chairman and CEO (P)	\$1.58 bn
Carver Bancorp	Deborah C. Wright, chairman and CEO (P)	\$19 mn
CCO (Citizens)	James Gaspo, president NY (B)	\$5 mn
<b>TOTAL</b>		<b>\$167 BILLION</b>

P = Partnership for New York City board member; R= Real Estate Board of New York board member; B = Business Council of New York State board member

Note: With the exception of BlackRock, substantially all of the disbursed bailout funds listed above have been returned to the Treasury.

### III. Policy Payoffs

The Committee to Save New York's backers benefit – or stand to benefit – from a range of policies that have been maintained, proposed, or implemented during the Cuomo administration.

The *New York Times* reported in early June 2012 that the Committee to Save New York had received over \$2 million from gambling interests at the same time that the Cuomo administration developed its casino gambling proposal.<sup>36</sup> According to the *Times*, the Cuomo administration had directed the groups to give to the Committee.

Cuomo spokesperson Richard Bamberger told the *Times* that “To try to suggest an improper relationship between the governor and gaming interests is to distort the facts in a malicious or reckless manner.” Committee backer and REBNY board member Jeff Gural, who was present at the meeting where Governor Cuomo was pitched on the casino proposal, said later that the contributions should not be looked on as a quid pro quo.<sup>37</sup>

Still, the situation raises important questions about what Committee backers may be getting in return for their support for Cuomo. The Committee's anti-tax agenda, which the Cuomo administration has largely embraced, guards against the closure of corporate income tax loopholes that help pad the profits of Committee backers. The Cuomo administration has failed to take up the issue of subsidy reform, advocated by progressive and labor groups as a way of raising public revenue and creating jobs. Committee backers have won \$2 billion in subsidies over the years.

The pension reform proposals pushed by the Governor and the Committee would increase investment management fees for the Wall Street interests behind the Committee. Real estate interests tied to the Committee are also positioned to profit from the Queens convention center plan proposed by Governor Cuomo.

The following section explores several potential policy payoffs in greater depth. This discussion is not exhaustive; policy initiatives such as the New York Works infrastructure fund, for instance, could be understood as potential policy payoffs for Committee backers, including finance and real estate interests and building trades unions (that effort is being led by Felix Rohatyn, former honorary chair of the Committee to Save New York). A full accounting is beyond the scope of this report.

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<sup>36</sup> The Times has also pointed out that Cuomo's infrastructure plan, New York Works, may benefit building trades unions who supported the Committee, though it would also benefit financial and real estate interests.

<sup>37</sup> <http://blogs.democratandchronicle.com/voteup/2012/06/05/track-owner-defends-cash-to-cuomo-backed-group/>

## A. Corporate Income Taxes: Billions in New and Continued Loopholes

Corporate income tax reform has been proposed by progressive and labor groups as a means of raising revenue for the state, but the Cuomo administration has not pursued this strategy, instead focusing on reducing state spending in order to balance the budget.

At the same time, the Committee's backers stand to lose billions if corporate tax loopholes are closed.

- 37 businesses linked to the Committee have **avoided \$16 billion in state income taxes** from 2008 to 2010.
- The companies also avoided \$101 billion in federal income taxes from 2008 to 2010, on pre-tax profits of over \$470 billion.
- Collectively, the companies paid a **state income tax rate of just 2.9%** and a federal income tax rate of just 13.8%.

The Committee's anti-tax stance ultimately serves to defend against reforms that would target corporate tax loopholes in order to raise revenue. Tax dodging by some of the country's most wealthy and powerful corporations is a major cause of revenue shortfalls at the state and federal level.

Please see the abbreviated table on the following page or the income tax avoidance table in the appendix for more details on tax dodging by these companies. This data is largely drawn from two reports released by Washington-based research organization Citizens for Tax Justice (CTJ) in 2011. The reports, "Corporate Taxpayers & Corporate Tax Dodgers, 2008-2010" and "Corporate Tax Dodging in the 50 States, 2008-2010" documented extensive state and federal income tax dodging by over 200 publicly-held corporations. Many of the corporations included in the report have ties to the Committee to Save New York.

**New Loophole.** Rather than close corporate tax loopholes, New York State actually opened a loophole worth at least \$5 million in tax savings for BlackRock in 2012.<sup>38</sup> Language in the budget will allow the financial firm to be taxed as a corporation, rather than a bank. BlackRock is linked to the Committee through the group's largest donor, the Partnership for New York City, where chairman and CEO Larry Fink is a director.

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<sup>38</sup> <http://www.timesunion.com/local/article/5M-state-tax-deal-helps-investment-giant-3478700.php>

**Tax Havens.** Businesses linked to the Committee to Save New York have set up numerous subsidiaries in offshore tax havens such as the Cayman Islands.<sup>39</sup> These tax-sheltered entities can be used for some legitimate purposes, though they are often associated with complex schemes that leverage the secrecy afforded by light regulatory regimes in order to evade taxes.

- 47 publicly held corporations associated with the Committee have set up **1,716 offshore subsidiaries incorporated in offshore tax havens.**
- **Morgan Stanley**, which holds one of three ex-officio seats on the board of the Partnership, has 311 subsidiaries incorporated in tax havens, more than any other Committee-linked business.
- The **Cayman Islands** is home to more than 400 corporate subsidiaries associated with Committee-linked businesses, more than any other tax haven.

Without access to corporate tax returns (and the corporations' accountants), it is not possible to know how these corporations are using offshore tax shelters to evade state and federal income taxes. A 2009 US Public Interest Research Group report did estimate, however, that offshore tax shelters shifted a tax burden of \$8.4 billion onto taxpayers in New York State.<sup>40</sup>

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<sup>39</sup> Data on corporate subsidiaries is easily accessible for publicly-held corporations, which must file a list of significant subsidiaries with the Securities and Exchange Commission (SEC) each year. We used those filings, CorpWatch's Croctail corporate subsidiary database, and the list of tax havens identified by the Government Accountability Office in 2008 to put together data on offshoring by Committee-linked businesses.

<sup>40</sup> <http://www.uspirg.org/home/reports/report-archives/tax--budget-policy/tax--budget-policy--reports/tax-shell-game-the-taxpayer-cost-of-offshore-corporate-havens>



INCOME TAXES AVOIDED BY COMMITTEE-LINKED COMPANIES.  
2008-2010 (\$ millions)

<u>COMPANY</u>	<u>STATE</u>	<u>FEDERAL</u>	<u>TOTAL</u>
AECOM	9	87	96
Aetna	307	411	718
American Express Company	657	2,427	3,084
AT&T, Inc.	2,278	14,491	16,770
ConocoPhillips	296	1,545	1,842
Consolidated Edison	204	1,619	1,823
Corning Incorporated	122	696	818
Entergy Corporation	291	1,781	2,072
Exxon Mobil	483	4,096	4,579
General Electric	555	8,398	8,953
Goldman Sachs	616	3,178	3,794
Honeywell International Inc.	217	1,750	1,967
IBM	1,064	8,265	9,329
Interpublic Group	8	215	223
ITT Corporation	100	287	388
JC Penney	73	346	419
JPMorgan Chase	-963	1,454	491
Kimberly-Clark	178	732	910
Loews Corporation	290	1,549	1,838
Macy's	112	514	626
McGraw-Hill Companies Inc	3	119	122
National Fuel Gas	56	359	415
News Corp	218	1,170	1,389
Northrop Grumman Corporation	0	799	799
NYSE Euronext	3	72	75
Pitney Bowes	20	68	88
Polo Ralph Lauren	13	132	146
Procter & Gamble	807	3,158	3,965
The Coca-Cola Company	512	2,461	2,973
The Travelers Companies, Inc.	723	1,738	2,461
Time Warner Inc.	335	1,918	2,253
United Technologies	302	1,986	2,288
UnitedHealth Group, Inc.	734	255	989
Verizon Communications	1,204	12,332	14,444
Viacom	112	390	502
Wal-Mart Stores, Inc.	1,444	2,511	3,955
Wells Fargo	2,738	17,960	20,699
<u>TOTALS</u>	<u>\$16 bn</u>	<u>\$101 bn</u>	<u>\$117 bn</u>

For more detail, see the appendix.

TAX-SHELTERED SUBSIDIARIES OF COMMITTEE-LINKED COMPANIES

<u>COMPANY</u>	<u>COMMITTEE AFFILIATE</u>	<u>TOTAL</u>
Aetna	Mark T Bertolini, president (P)	6
Alcoa	Klaus Kleinfeld, CEO (P)	4
American Express	Kenneth I Chenault, chairman and CEO (P)	15
Bank of America	Thomas K Montag, president, global banking and markets (P)	263
BlackRock	Larry Fink, CEO (P)	36
Blackstone Group	Stephen Schwarzman, CEO (P)	83
CB Richard Ellis	Mary Ann Tighe, CEO Tri-state region (P, R)	1
CIT Group	John Thain, CEO (P)	92
Citigroup	Vikram S Pandit, CEO (P) +IP	27
Coca Cola	James D Robinson III, director (P)	7
ConocoPhillips	Harold McGraw III, director (P)	21
Corning	Kirk P Gregg, EVP (B)	6
Dana Corp	Mark Gallogly, director (P)	9
Delta Air Lines	Gail Grimmett, SVP (B)	3
Eastman Kodak	Terry Taber, SVP (B)	5
Estee Lauder	William Lauder, executive chairman (P) +I	2
Exxon Mobil	Jay S Fishman, director (P)	33
GE	James S Tisch, director (P) +IP +IB	13
Goldman Sachs	Lloyd C Blankfein, CEO (P)	35
Honeywell	Kevin Burke, director (P, B)	4
IBM	Linda S Sanford, SVP enterprise formation (B) +IP	14
International Flavors & Fragrances	Roger W Ferguson Jr, director (P)	19
Interpublic Group of Companies	Michael Isor Roth, chairman and CEO (P)	1
ITT Industries	Linda S Sanford, director (B)	14
Jetblue Airways Corp	Dave Barger, CEO (P)	1
Jones Lang Lasalle Inc	Peter G Riguardi, head of NY operations (R)	60
JPMorgan Chase	Jamie Dimon, CEO (P) +IR +IB	77
Kimberly Clark Corp	Ian Read, director (P)	13
Loews Corp	James S Tisch, CEO (P)	12
Marsh & McLennan Companies Inc	Brian Duperreault, president and CEO (P)	97
McGraw Hill Companies Inc	Harold McGraw III, chairman, president, and CEO (P)	10
Metlife	Michael A Zarcone, SVP (B)	24
Microsoft Corp	Martin T Cassidy, general manager Northeast (B)	4
Morgan Stanley	James P Gorman, CEO (P) +IP	311
Nasdaq Stock Market Inc	Robert Greifeld, CEO (P) +IP	1
News Corp	Rupert Murdoch, chairman and CEO (P)	84
Pfizer Inc	Karen Boykin-Towns, VP public affairs (B)	105
Pitney Bowes Inc	Michael Isor Roth, director (P)	16
Polo Ralph Lauren Corp	Frank A Bennack Jr, director (P)	14
Procter & Gamble Co	Kenneth I Chenault, director (P)	33
Time Warner Inc	Jeffrey L Bewkes, CEO (P) +IP	1
Travelers Cos	Jay S Fishman, CEO (P)	2
United Technologies Corp	Harold McGraw III, director (P)	11
Unitedhealth Group Inc	William J Golden, CEO NY (B)	11
Viacom	Philippe P Dauman, president and CEO (P)	16
Wells Fargo & Co	Alan H Wiener, head of multifamily capital (R)	59
Xerox Corp	D Cameron Hyde, SVP, global account operations (B)	41
<u>TOTAL</u>		<u>1716</u>

P = Partnership for New York City board member; R= Real Estate Board of New York board member; B = Business Council of New York State board member. For a more detailed table, turn to the appendix.

## B. Subsidies: Continued Unaccountable Giveaways

The state's economic development strategy of offering scattershot subsidies and tax breaks to large corporations has been a major boon to big businesses like those associated with the Committee. The Cuomo administration has not sought to reform this system, despite pressure from progressive and labor groups who see subsidy reform as a way to create jobs and raise revenue for the state.

Since 1988, **42 businesses linked to the Committee have been approved for over \$2 billion** in subsidies in the form of tax breaks, infrastructure improvements, and grants. A portion of this amount has been canceled or clawed back, and a significant portion consists of future tax benefits. A table of these subsidies is available on the following page; a more detailed table is available in the appendix.

These handouts to big business are often justified as job creation measures by public officials, but many deals fail to deliver on these promises. An August 2010 report from the Alliance for a Greater New York (ALIGN, formerly Jobs With Justice) found that the state's industrial development agencies (IDAs) spent \$135 million in 2008 on businesses that failed to create, and in some cases cut, jobs.<sup>41</sup> Good Jobs New York estimated the total cost to taxpayers of New York City's corporate giveaways at more than \$2.5 billion in its 2009 report, "Before the Bailout of 2008," but noted that "despite such enormous investments, the city's return is unknown."<sup>42</sup>

In New York City, these subsidies effectively subsidize the real estate developers associated with the Real Estate Board of New York, because they build, own, and lease the properties occupied by these businesses. Two notable examples, which originally appeared in the 2011 version of this report, "The Committee to Scam New York":

**Goldman Sachs - Tishman Construction.** Goldman Sachs received a massive subsidy package in 2005 to build its new headquarters in Lower Manhattan, including \$115 million in state and city tax breaks and grants.<sup>43</sup> Goldman also received \$1.65 billion in tax-exempt Liberty Bonds, which were intended to help New York City rebuild itself following 9/11.

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<sup>41</sup> See "No Return on Our Investment: The Failure of New York's Industrial Development Agencies," from New York Jobs With Justice, available at [http://www.alignny.org/wp-content/uploads/2010/08/NoReturnOnOurInvestment\\_Final.pdf](http://www.alignny.org/wp-content/uploads/2010/08/NoReturnOnOurInvestment_Final.pdf)

<sup>42</sup> See Good Jobs New York's 2009 report, "Before the Bailout of 2008," available at [http://www.goodjobsny.org/GJNY\\_Bailout.pdf](http://www.goodjobsny.org/GJNY_Bailout.pdf)

<sup>43</sup> <http://query.nytimes.com/gst/fullpage.html?res=9A03E5DE1E3EF937A1575BC0A9639C8B63>

SUBSIDIES TO COMMITTEE-LINKED COMPANIES

<u>COMMITTEE-LINKED COMPANY</u>	<u>COMMITTEE ASSOCIATE</u>	<u>SUBSIDY AMOUNT</u>
Alcoa	Klaus Kleinfeld, CEO (P)	\$438,000
American Express	Kenneth I Chenault, chairman and CEO (P)	\$25,000,000
Bank of America	Thomas K Montag, co-COO (P)	\$56,500,000
Bear Stearns (JPM)	Jamie Dimon, CEO (P) +IR +IB	\$81,000,000
BlackRock	Larry Fink, CEO (P)	\$4,160,000
Citigroup	Vikram S Pandit, CEO (P) +IP	\$90,000,000
Corning	Kirk P Gregg, EVP (B)	\$3,019,630
Credit Suisse	Frederick O. Terrell, vice chairman (P)	\$4,364,409
Deloitte	Erin Reuss-Hannafin (B)	\$21,000,000
Durst	Douglas Durst, co-president (R)	\$1,104,000
Ernst & Young	Stephen R Howe Jr, Americas Area Managing	\$4,633,000
Forest City Ratner	MaryAnne Gilmartin, EVP (R)	\$131,000,000
GE (NBC)	James S Tisch, director (P) +IB	\$100,000,000
Goldman Sachs	Lloyd C Blankfein, CEO (P)	\$150,000,000
Hearst	Frank A Bennack, chairman and CEO (P)	\$35,194,000
IBM	Linda S Sanford, SVP (B), +IP	\$800,000,000
JetBlue	Dave Barger, CEO (P)	\$30,000,000
JPMorgan Chase	Jamie Dimon, CEO (P) +IR +IB	\$235,000,000
Macy's	Terry J Lundgren, CEO (P)	\$1,533,000
McGraw Hill	Harold McGraw III, CEO (P)	\$54,289,000
Merrill Lynch (Bank of America)	Thomas K Montag, co-COO (P) +IR +IB	\$28,600,000
Metlife	Michael A Zarcone, SVP (B)	\$37,320,000
Morgan Stanley	James P Gorman, CEO (P) +IP	\$16,000,000
Nasdaq	Robert Greifeld, CEO (P) +IP	\$52,000,000
National Fuel	David F Smith, CEO (B)	\$827,927
New York Life	Theodore Mathas, CEO (P)	\$214,506
Pfizer	Karen Boykin-Towns, VP public affairs (B)	\$47,500,000
Silverstein	Larry Silverstein, president (R) +IR	\$4,832,000
Stroock	Leonard Boxer, chairman (R)	\$700,000
Sullivan & Cromwell	H Rodgin Cohen, partner (P)	\$18,560,000
Time Warner (Time Inc)	Jeffrey L Bewkes, CEO (P)	\$35,221,000
Travelers	Jay Fishman, CEO (P)	\$11,000,000
UBS (Paine Webber)	Robert Wolf, CEO Americas (P)	\$7,013,544
WalMart	Christopher Williams, director (P)	\$52,600,000
Xerox	D Cameron Hyde, SVP (B)	\$131,732
<u>TOTAL</u>		<u>\$2.1 bn</u>

P = Partnership for New York City board member; R= Real Estate Board of New York board member; B = Business Council of New York State board member

Note: Please turn to the extended table in the Appendix for explanations of these subsidies.

The potential conflicts of interest surrounding the project are notable. The president of the New York City Economic Development Corporation at the time, Andrew Alper, recused himself due to his longstanding ties to Goldman Sachs, where he had spent 21 years as an investment banker.<sup>44</sup> The former chairman and CEO of Goldman Sachs, John Whitehead, chaired the Lower Manhattan Development Corporation at the time. LMDC was the state authority charged with overseeing reconstruction efforts in lower Manhattan after 9/11.

Lloyd Blankfein, the current CEO of Goldman Sachs, is on the board of the Partnership, and at least four former Goldman Sachs executives sit on the board of the Partnership (Eric Mindich, William Dudley, Kenneth Jacobs, and Thomas Montag). Tishman Construction, which built Goldman's new headquarters, is a partner company of the Partnership, and Dan Tishman is an officer of REBNY.

**Bank of America - Durst Organization.** After threatening to leave New York City in 2003, Bank of America was approved for \$82.6 million in tax breaks from the city and state for its new headquarters at One Bryant Square.<sup>45</sup> Bank of America merged with Fleet the next year, laying off 4,500 employees in New York and elsewhere.<sup>46</sup>

The new building was built with \$650 million in tax-exempt, post-9/11 Liberty Bonds by the Durst Organization, a major funder of the Committee to Save New York. Thomas Montag, Bank of America's president of global markets, sits on the board of the Partnership, and Douglas Durst sits on the board of REBNY.

REBNY board members are also involved in heavily-subsidized development projects such as the stadium deals for the Mets and Yankees and Brooklyn's Atlantic Yards Development (Bruce Ratner's Forest City Ratner, represented on REBNY's board by Maryanne Gilmartin, is the developer behind Atlantic Yards).

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<sup>44</sup> <http://www.nysun.com/new-york/new-york-authorizes-16b-in-liberty-bonds/18673/>

<http://www.nysun.com/new-york/new-york-authorizes-16b-in-liberty-bonds/18673/>

<sup>45</sup> [http://www.goodjobsny.org/BofA\\_news.htm](http://www.goodjobsny.org/BofA_news.htm)

<sup>46</sup> NYT: <http://bit.ly/dZG3BO>

## C. Pension Reforms: Billions in New Fees

The Committee to Save New York began running television and radio ads in support of Governor Andrew Cuomo's Tier VI pension reform plan in March 2012. The ad buy totaled a reported \$2.5 million.<sup>47</sup> After the budget deal was agreed on, with some pension reforms included, the Committee began running ads in support of Cuomo's budget initiatives.<sup>48</sup>

Why did the Committee spend so heavily in support of pension reform? For one, the Committee's backers have a stake in ensuring that fiscal reform comes about through spending cuts, rather than tax increases, and pension cuts are one way to get there. But the financial institutions backing the Committee also would have profited from the shift away from a defined benefit plan to 401(k)s originally included in Cuomo's plan (it was not included in the final deal).

The investment management fees associated with 401(k)s have been shown to be far higher than those associated with defined benefit plans. Researchers at Boston College's Center for Retirement Research compared defined benefit plan management fees to 401(k) management fees in a 2007 paper and found that there is a vast difference between the two. Alicia Munnell and Mauricio Soto write:

The fees vary substantially depending on whether the investments are actively managed or follow an index. But it is clear that the predominant pension in the private sector costs considerably more than the defined benefit plans in the public sector.

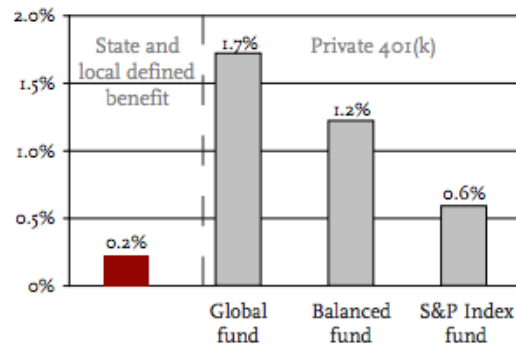
Munnell and Soto cite investment management fees of 18 to 36 basis points (.18%-.36%) for pension funds and 60 to 180 basis points (.6%-1.8%) for 401(k)s, depending on how actively the funds are managed. **In other words, 401(k) investment management fees are 2-10 times higher than pension fund management fees.** See the following graph from their paper:

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<sup>47</sup> <http://www.capitaltonight.com/2012/03/csny-starts-air-campaign-for-tier-six/>

<sup>48</sup> <http://www.capitaltonight.com/2012/03/csny-new-tv-ad-its-about-jobs/>

FIGURE 10. INVESTMENT MANAGEMENT EXPENSES, BY SECTOR AND FUND TYPE, 2006



Sources: Brainard (2007); and Lipper (2006).

Suppose that the assets in New York State’s Common Retirement Fund, which covers over one million public employees, were instead invested in 401(k)s. **Wall Street would realize additional fees of up to \$2.4 billion per year.** The Tier VI option originally proposed would only cover new employees, so the shift would be gradual, as would the increase in fees. But in the long run, pension privatization is a home run for Wall Street.

Who would pocket that difference in expense? Many of the same financial institutions backing the Committee to Save New York. The Partnership for New York City is led by a majority of Wall Street executives and related interests: 44% of the Partnership’s 87 board members lead financial institutions. Another 17% work in insurance and real estate, which together with finance make up the “FIRE” economy. And another 7% of board members lead law firms that work largely for financial firms, such as H. Rodgin Cohen of Sullivan & Cromwell.

Among the financial institutions represented on the Partnership’s board:

- Goldman Sachs (CEO Lloyd Blankfein)
- Morgan Stanley (CEO James Gorman)
- JPMorgan Chase (CEO Jamie Dimon)
- Citigroup (CEO Vikram Pandit)
- Bank of America (co-COO Thomas Montag)
- Blackstone Group (CEO Steve Schwarzman)
- Lazard (CEO Kenneth Jacobs)
- Deutsche Bank (Seth Waugh)
- UBS (Robert Wolf)

## D. Real Estate Development: New Land for Speculation in Manhattan

In his 2012 State of the State address, Governor Cuomo announced plans to raze the Jacob K. Javits Convention Center, opening up the land for private development. As part of the plan, conventions would be moved to a proposed \$4 billion convention center and casino in Queens proposed by Genting, the Malaysian casino company. Press reports have focused on Genting's role in the deal, and the fact that it gave heavily to the Committee to Save New York.

Press reports have failed to note, however, that other prominent Committee backers have pushed for the Cuomo proposal to demolish Javits and replace it with private real estate development. Committee donors the Durst Organization and Brookfield Properties both retain seats on the board of the Regional Plan Association (RPA), which has long advocated for Javits to be torn down in order to open up the land it sits on for private development.

When Cuomo announced the plan for Javits, RPA lauded the move:

New York Gov. Andrew Cuomo on Wednesday proposed redeveloping the Javits Convention Center site in Manhattan, bringing new momentum to an idea that has been a longstanding goal of Regional Plan Association.<sup>49</sup>

The link for that article is even more explicit: "Cuomo backs RPA Proposal to Replace Javits." Javits is currently halfway through a \$390 million renovation plan adopted in 2009.<sup>50</sup> Cuomo's plan has been met with some opposition from hotel owners and convention-goers who do not want to make the trek to Queens.<sup>51</sup>

Shortly after the announcement, *Crain's* reported that Douglas Durst, chairman of the Durst Organization, would be interested in the land opened up by the Javits demolition:

"It's a great location," said Douglas Durst, chairman of the Durst Organization, a prominent family development firm. "I'm sure my family would be interested in it."<sup>52</sup>

The Javits demolition can be viewed in the context of a long series of West Side land use policies and projects designed to favor many of the same New York City real estate interests that back the Committee to Save New York. It also points to the increasing privatization of public space in Manhattan.

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<sup>49</sup> <http://www.rpa.org/2012/01/cuomo-backs-rpa-proposal-to-replace-javits.html>

<sup>50</sup> <http://www.nytimes.com/2012/01/23/arts/design/javits-center-plans-are-deflating-for-architects.html?pagewanted=all>

<sup>51</sup> <http://www.wnyc.org/blogs/wnyc-news-blog/2012/feb/23/demolishing-javits-would-mean-disrupting-1-billion-economy/>

<sup>52</sup> [http://www.crainsnewyork.com/article/20120108/REAL\\_ESTATE/301089973#ixzz1xsG34Ilj](http://www.crainsnewyork.com/article/20120108/REAL_ESTATE/301089973#ixzz1xsG34Ilj)



# Appendix

## INCOME TAX DODGING BY COMMITTEE-LINKED COMPANIES, 2008-2010

Sources: 2011 Citizens for Tax Justice reports on state and federal corporate income tax dodging, LittleSis.org.

<u>COMPANY</u>	<u>COMMITTEE AFFILIATE</u>	<u>STATE</u> (\$ millions)			<u>FEDERAL</u> (\$ millions)		
		<u>Profits</u>	<u>Taxes Paid</u>	<u>Rate</u>	<u>Profits</u>	<u>Taxes Paid</u>	<u>Rate</u>
AECOM	Daniel R Tishman, vice chairman (R)	424	17	4.1%	407	55	13.6%
Aetna	Mark T Bertolini, president (P)	6,720	110	1.6%	6,610	1,903	28.8%
American Express Company	Kenneth I Chenault, CEO (P)	12,565	122	1.0%	12,443	1,928	15.5%
AT&T, Inc.	Kathryn Morrissey, EVP (B)	54,879	1,124	2.0%	53,755	4,323	8.0%
ConocoPhillips	Harold McGraw III, director (P)	20,024	945	4.7%	19,079	5,132	26.9%
Consolidated Edison	Kevin Burke, CEO (P, B)	4,327	64	1.5%	4,263	-127	-3.0%
Corning Incorporated	Kirk P Gregg, EVP (B)	1,978	1	0.1%	1,977	-4	-0.2%
Entergy Corporation	Kenneth R Theobalds, VP (B)	5,613	57	1.0%	5,556	164	2.9%
Exxon Mobil	Jay S Fishman, director (P)	20,439	784	3.8%	19,655	2,783	14.2%
General Electric	James S Tisch, director (P); Rochelle B Lazarus, director (P); Robert Prantil, regional executive (B)	10,560	100	0.9%	10,460	-4,737	-45.3%
Goldman Sachs	Lloyd C Blankfein, CEO (P)	23,162	820	3.5%	22,342	4,642	20.8%
Honeywell International Inc.	Kevin Burke, director (P, B)	4,996	93	1.9%	4,903	-34	-0.7%
IBM	Kenneth I Chenault, director (P); Linda S Sanford, SVP (B)	27,088	615	2.3%	26,473	1,001	3.8%
Interpublic Group	Michael Isor Roth, CEO (P)	599	29	4.8%	571	-15	-2.6%
ITT Corporation	Linda S Sanford, director (B)	2,072	28	1.4%	2,044	428	21.0%
JC Penney	Steven Roth, director (P)	1,894	44	2.3%	1,850	302	16.3%
JPMorgan Chase	Jamie Dimon, CEO (P) and 3 others (P, B,R)	32,676	2,989	9.1%	29,687	8,936	30.1%
Kimberly-Clark	Ian C Read, director (P)	4,513	102	2.3%	4,411	812	18.4%
Loews Corporation	James S Tisch, CEO (P)	5,463	49	1.5%	5,414	346	6.4%
Macy's	Terry J Lundgren, CEO (P)	2,271	29	1.3%	2,242	271	12.1%

McGraw-Hill Companies Inc	Harold McGraw III, CEO (P)	2,923	178	6.1%	2,745	842	30.7%
National Fuel*	David F. Smith, CEO (B)	1,123	14	1.3%	1,109	29	2.6%
News Corp	Rupert Murdoch, CEO (P)	8,650	318	3.7%	8,332	1,746	21.0%
Northrop Grumman Corporation	Patricia McMahon, VP (B)				7,126	1,696	23.8%
NYSE Euronext	Duncan L Niederauer, CEO (P)	399	22	5.5%	377	60	15.9%
Pitney Bowes	Michael Isor Roth, director (P)	1,535	75	4.9%	1,461	444	30.4%
Polo Ralph Lauren	Frank A Bennack Jr, director (P)	1,378	72	5.2%	1,305	325	24.9%
Procter & Gamble	Kenneth I Chenault, director (P)	25,760	790	3.1%	24,970	5,582	22.4%
The Coca-Cola Company	James D Robinson III, director (P)	12,034	234	1.9%	11,800	1,669	14.1%
The Travelers Companies, Inc.	Jay S Fishman	11,849	12	0.1%	11,837	2,405	20.3%
Time Warner Inc.	Jeffrey L Bewkes, CEO (P); Deborah C Wright, director (P)	8,822	212	2.4%	8,610	1,096	12.7%
United Technologies	Harold McGraw III, director (P)	8,138	203	2.5%	7,935	791	10.0%
UnitedHealth Group, Inc.	William J Golden, NY CEO (B)	17,987	381	2.1%	17,606	5,907	33.6%
Verizon Communications	James Gerace, NY president (B)	33,384	866	2.6%	32,518	-951	-2.9%
Viacom	Philippe P Dauman, CEO (P); Charles E Phillips Jr, director (P)	5,051	201	4.0%	4,850	1,308	27.0%
Wal-Mart Stores, Inc.	Christopher J Williams, director (P)	52,315	1,800	3.4%	50,515	15,169	30.0%
Wells Fargo	Alan H Wiener, head of multifamily capital (R)	49,714	344	0.7%	49,370	-681	-1.4%
<b>TOTALS</b>		<b>483,325</b>	<b>13,844</b>	<b>2.86%</b>	<b>476,607</b>	<b>65,544</b>	<b>13.75%</b>

**TAX AVOIDED**

**\$16.1 billion**

**\$101.3 billion**

\* National Fuel's numbers are from 2009-2011; all others are 2008-2010.

TAX-SHELTERED SUBSIDIARIES OF COMMITTEE-LINKED COMPANIES

Sources: Croctail, SEC filings, LittleSis.org (see note on sources at bottom)

<u>COMPANY</u>	<u>COMMITTEE AFFILIATE</u>	<u>TAX-SHELTERED SUBSIDIARIES</u>	<u>TOTAL</u>
Aetna	Mark T Bertolini, president (P)	Bermuda (3), Cayman Islands (1), Ireland (1), Singapore (1)	6
Alcoa	Klaus Kleinfeld, CEO (P)	Hong Kong (1), Luxembourg (2), Switzerland (1)	4
American Express	Kenneth I Chenault, chairman and CEO (P)	Bahrain (1), Hong Kong (3), Jersey (5), Luxembourg (1), Netherlands Antilles (1), Panama (1), Singapore (1), Switzerland (2)	15
Bank of America	Steven M Kenny, NY/NY commercial real estate executive (R); Thomas K Montag, president, global banking and markets (P)	Bahamas (3), Bermuda (8), Cayman Islands (104), Costa Rica (1), Gibraltar (6), Guernsey (1), Hong Kong (4), Ireland (20), Isle Of Man (1), Jersey (16), Latvia (31), Lebanon (1), Luxembourg (37), Mauritius (11), Monaco (1), Netherlands Antilles (1), Singapore (12), Switzerland (5)	263
BlackRock	Larry Fink, CEO (P)	Cayman Islands (4), Guernsey (1), Hong Kong (3), Ireland (4), Isle Of Man (6), Jersey (8), Luxembourg (6), Singapore (3), Switzerland (1)	36
Blackstone Group	Stephen Schwarzman, CEO (P)	Cayman Islands (74), Hong Kong (4), Mauritius (4), Singapore (1)	83
CB Richard Ellis	Mary Ann Tighe, CEO Tri-state region (P, R)	Luxembourg (1)	1
CIT Group	John Thain, CEO (P)	Aruba (1), Barbados (16), Bermuda (30), Cayman Islands (14), Hong Kong (2), Ireland (22), Jersey (1), Luxembourg (2), Singapore (3), Switzerland (1)	92
Citigroup	Vikram S Pandit, CEO (P); Richard D Parsons, chairman (P)	Bahamas (4), Bermuda (2), Cayman Islands (1), Costa Rica (3), Hong Kong (3), Ireland (2), Mauritius (2), Singapore (3), Switzerland (7)	27
Coca Cola	James D Robinson III, director (P)	Cayman Islands (3), Costa Rica (1), Ireland (1), Luxembourg (1), Singapore (1)	7
ConocoPhillips	Harold McGraw III, director (P)	Bahamas (2), Bermuda (9), Cayman Islands (5), Ireland (1), Liberia (2), Luxembourg (1), Singapore (1)	21
Corning	Kirk P Gregg, EVP (B)	Cayman Islands (1), Ireland (1), Luxembourg (2), Mauritius (1), Singapore (1)	6
Dana Corp	Mark Gallogly, director (P)	Bermuda (2), Hong Kong (3), Luxembourg (2), Mauritius (1), Switzerland (1)	9
Delta Air Lines	Gail Grimmett, SVP (B)	Bermuda (1), Cayman Islands (1), Ireland (1)	3
Eastman Kodak	Terry Taber, SVP (B)	Barbados (1), Hong Kong (1), Singapore (1), Switzerland (2)	5
Estee Lauder	William Lauder, executive chairman (P); Richard Parsons, director (P)	Luxembourg (1), Switzerland (1)	2
Exxon Mobil	Jay S Fishman, director (P)	Bahamas (21), Bermuda (1), Cayman Islands (2), Hong Kong (3), Ireland (1), Luxembourg (3), Singapore (2)	33
GE	Robert Prantil, NY region exec (B); Rochelle B Lazarus, director (P); James S Tisch, director (P)	Bermuda (3), Ireland (2), Luxembourg (4), Singapore (4)	13

Goldman Sachs	Lloyd C Blankfein, CEO (P)	Bermuda (3), Cayman Islands (17), Hong Kong (2), Ireland (4), Mauritius (9)	35
Honeywell	Kevin Burke, director (P, B)	Singapore (1), Switzerland (3)	4
IBM	Linda S Sanford, SVP enterprise formation (B); Kenneth I Chenault, director (P)	Bahamas (1), Barbados (1), Bermuda (1), Costa Rica (1), Hong Kong (1), Ireland (2), Latvia (1), Luxembourg (1), Malta (1), Mauritius (1), Seychelles (1), Singapore (1), Switzerland (1)	14
International Flavors & Fragrances Inc	Roger W Ferguson Jr, director (P)	Barbados (1), Bermuda (1), Gibraltar (2), Hong Kong (1), Ireland (5), Luxembourg (4), Mauritius (1), Singapore (3), Switzerland (1)	19
Interpublic Group of Companies	Michael Isor Roth, chairman and CEO (P)	Mauritius (1)	1
ITT Industries	Linda S Sanford, director (B)	Hong Kong (3), Ireland (4), Luxembourg (4), Panama (1), Singapore (2)	14
Jetblue Airways Corp	Dave Barger, CEO (P)	Bermuda (1)	1
Jones Lang Lasalle Inc	Peter G Riguardi, head of NY operations (R)	Bahamas (1), Cayman Islands (6), Cook Islands (1), Costa Rica (1), Cyprus (1), Guernsey (1), Hong Kong (17), Ireland (6), Jersey (1), Luxembourg (15), Mauritius (3), Panama (1), Singapore (5), Switzerland (1)	60
JPMorgan Chase	Gregory R Reimers, real estate banking (R); Jamie Dimon, CEO (P); Michael Nevins, government banking (B)	Bahamas (1), Barbados (1), Bermuda (5), Cayman Islands (11), Hong Kong (9), Ireland (8), Jersey (6), Luxembourg (9), Mauritius (13), Singapore (10), Switzerland (4)	77
Kimberly Clark Corp	Ian Read, director (P)	Bahrain (2), Barbados (1), Bermuda (1), Cayman Islands (1), Costa Rica (1), Cyprus (1), Hong Kong (2), Luxembourg (1), Singapore (2), Switzerland (1)	13
Loews Corp	James S Tisch, CEO (P)	Bermuda (6), Cayman Islands (5), Netherlands Antilles (1)	12
Marsh & McLennan Companies Inc	Brian Duperreault, president and CEO (P)	Bahrain (1), Barbados (5), Bermuda (25), Cayman Islands (2), Gibraltar (1), Guernsey (2), Hong Kong (10), Ireland (17), Isle Of Man (4), Jersey (2), Latvia (1), Liechtenstein (1), Luxembourg (2), Macao (1), Malta (2), Mauritius (1), Singapore (13), Switzerland (7)	97
McGraw Hill Companies Inc	Harold McGraw III, chairman, president, and CEO (P)	Cayman Islands (1), Hong Kong (3), Luxembourg (4), Panama (1), Singapore (1)	10
Metlife	Michael A Zarcone, SVP (B)	Barbados (1), Bermuda (2), Cayman Islands (4), Costa Rica (1), Cyprus (1), Hong Kong (3), Ireland (8), Isle Of Man (1), Panama (1), Singapore (2)	24
Microsoft Corp	Martin T Cassidy, general manager Northeast (B)	Ireland (3), Singapore (1)	4
Morgan Stanley	James P Gorman, CEO (P); David W Helleniak, senior advisor (P)	Bermuda (5), Cayman Islands (180), Cyprus (3), Gibraltar (9), Hong Kong (13), Ireland (10), Isle Of Man (1), Jersey (21), Luxembourg (49), Malta (1), Mauritius (5), Singapore (11), Switzerland (3)	311
Nasdaq Stock	Robert Greifeld, CEO (P); Glenn H Ireland (1)		1

Nasdaq Stock Market Inc	Robert Greifeld, CEO (P); Glenn H Hutchins, director (P)	Ireland (1)	1
News Corp	Rupert Murdoch, chairman and CEO (P)	Bermuda (1), Cayman Islands (16), Gibraltar (1), Hong Kong (27), Ireland (1), Luxembourg (9), Mauritius (19), Panama (1), Singapore (6), Switzerland (3)	84
Pfizer Inc	Karen Boykin-Towns, VP public affairs (B)	Bahamas (1), Barbados (1), Bermuda (4), Cayman Islands (1), Costa Rica (2), Guernsey (1), Hong Kong (8), Ireland (38), Jersey (11), Luxembourg (19), Panama (5), Singapore (10), Switzerland (4)	105
Pitney Bowes Inc	Michael Isor Roth, director (P)	Hong Kong (2), Ireland (5), Luxembourg (3), Panama (1), Singapore (4), Switzerland (1)	16
Polo Ralph Lauren Corp	Frank A Bennack Jr, director (P)	Hong Kong (5), Ireland (1), Macao (1), Panama (1), Singapore (2), Switzerland (4)	14
Procter & Gamble Co	Kenneth I Chenault, director (P)	Costa Rica (2), Hong Kong (4), Ireland (2), Lebanon (1), Luxembourg (7), Panama (2), Singapore (5), Switzerland (10)	33
Time Warner Inc	Deborah C Wright, director (P); Jeffrey L Bewkes, CEO (P)	Hong Kong (1)	1
Travelers Cos	Jay S Fishman, CEO (P)	Bermuda (1), Singapore (1)	2
United Technologies Corp	Harold McGraw III, director (P)	Cayman Islands (2), Hong Kong (2), Ireland (1), Luxembourg (5), Singapore (1)	11
Unitedhealth Group Inc	William J Golden, CEO NY (B)	Bermuda (1), Costa Rica (1), Hong Kong (2), Ireland (3), Singapore (3), Switzerland (1)	11
Viacom	Philippe P Dauman, president and CEO (P)	Bahamas (1), Barbados (1), Cayman Islands (8), Hong Kong (1), Mauritius (1), Singapore (1), Switzerland (3)	16
Wells Fargo & Co	Alan H Wiener, head of multifamily capital (R)	Aruba (1), Barbados (1), Bermuda (5), Cayman Islands (24), Cyprus (1), Hong Kong (7), Ireland (2), Luxembourg (4), Mauritius (10), Singapore (4)	59
Xerox Corp	D Cameron Hyde, SVP, global account operations (B)	Barbados (5), Bermuda (8), Cyprus (1), Guernsey (1), Hong Kong (3), Ireland (11), Jersey (1), Luxembourg (3), Malta (1), Mauritius (1), Singapore (1), Switzerland (4), Turks And Caicos Islands (1)	41
<b>TOTAL</b>			<b>1716</b>

Note: Tax havens listed are those identified in the Government Accountability Office's 2008 report on "International Taxation" (available at <http://www.gao.gov/products/GAO-09-157>). The data was drawn from Exhibit 21 of recent SEC 10-K filings for Committee-linked publicly-held corporations, via CorpWatch's Croctail corporate subsidiary database (<http://croctail.corpwatch.org>).

APPROXIMATE SUBSIDIES FOR COMMITTEE-LINKED COMPANIES

(see note on sources at bottom)

<u>COMPANY</u>	<u>COMMITTEE ASSOCIATE</u>	<u>AMOUNT (REDUCTION)</u>	<u>DETAILS (YEAR GRANTED)</u>
Alcoa	Klaus Kleinfeld, CEO (P)	\$438,000	New York City sales tax exemption for 390 Park Ave HQ as part of commercial growth project. (2000)
American Express	Kenneth I Chenault, chairman and CEO (P)	\$25,000,000	Job Creation and Retention Program (JCRP) grant as part of 9/11 reconstruction effort. (2002)
Bank of America	Steven M Kenny, NY/NY commercial real estate executive (R); Thomas K Montag, co-COO (P)	\$56,500,000 (\$18,000,000)	Bank of America received an \$18 million subsidy in 1993, but the deal was canceled in 1998 due to layoffs. It received another subsidy in 2004 worth \$38.5 million, of which \$7.6 million had been used by 2008. (GJNY Bailout)
Bear Stearns (JPM)	Gregory R Reimers, real estate banking (R); Jamie Dimon, CEO (P); Michael Nevins, government banking (B)	\$81,000,000 (\$11,000,000)	Received an \$11 million subsidy in 1991, which was canceled and merged with a \$70 million subsidy in 1997, of which \$18 million had been used through 2010, according to the NYC EDC projects report.
BlackRock	Larry Fink, CEO (P)	\$4,160,000 (\$440,000)	Sales tax exemptions from NYC IDA. (2001)
Citigroup	Vikram S Pandit, CEO (P); Richard D Parsons, chairman (P)	\$90,000,000	\$90 million in as-of-right incentives approved for Citicorp in 1989
Corning	Kirk P Gregg, EVP (B)	\$3,019,630	Tax credit/rebates and property tax abatements from Steuben County IDA
Credit Suisse	Frederick O. Terrell, vice chairman, investment banking (P)	\$4,364,409	Sales and property tax exemptions from NYC IDA. (1995)
Deloitte	Erin Reuss-Hannafin (B)	\$21,000,000	Deloitte must add 2,100 employees in Lower Manhattan to get sales and use tax exemptions from NYC. (2010)
Durst	Douglas Durst, co-president (R)	\$1,104,000	\$650 million in liberty bonds (2004)

Ernst & Young	Stephen R Howe Jr, Americas Area Managing Partner (P)	\$4,633,000	Business incentive rate, sales tax exemption for Times Square HQ. (2004)
Forest City Ratner	MaryAnne Gilmartin, EVP (R)	\$131,000,000	from the NY Daily News, 1/27/2010: "That's on top of \$100 million the city previously pledged to buy up property for the new Nets arena and 16-tower project, bringing the total to \$131 million."
GE (NBC)	Robert Prantil, NY region exec (B); Rochelle B Lazarus, director (P); James S Tisch, director (P)	\$100,000,000	Sales and property tax breaks to keep NBC HQ in midtown (press reports). (1987)
Glenwood Management	Gary Jacob, EVP; Carole Pittelman, EVP; Leonard Litwin, founder (all R)		\$233 million in post-9/11 Liberty Bonds. (2002 & 2004)
Goldman Sachs	Lloyd C Blankfein, CEO (P)	\$150,000,000	\$1.65 billion in tax-exempt liberty bonds and an additional \$115 million in state and local tax breaks for the bank's new headquarters, which could grow to \$150 million if its workforce grows. (2005)
Hearst	Frank A Bennack, chairman and CEO (P)	\$35,194,000	From the city: Business Incentive Rate, MRT Exemption, PILOT, Sales Tax Exemption (2003)
IBM	Linda S Sanford, SVP enterprise formation (B); Kenneth I Chenault, director (P)	\$800,000,000 (\$475,000,000)	State and local tax breaks worth \$660 million were approved in 2000 for IBM's new computer chip fabrication plant in Dutchess County, though IBM failed to secure \$475 million of that due to a decline in its state workforce. An additional \$140 million in grants were approved for another project in 2008.
JetBlue	Dave Barger, CEO (P)	\$30,000,000	\$12 million in as-of-right incentives plus an additional \$18 million in city and state grants, tax breaks, and financing for its headquarters at JFK.
JPMorgan Chase	Gregory R Reimers, real estate banking (R); Jamie Dimon, CEO (P); Michael Nevins, government banking (B)	\$235,000,000	\$235 million in city subsidies were approved for Chase Manhattan in 1988. \$44.5 million were used as of 2003. According to Good Jobs New York, "following the deal, Chase announced a series of layoffs and relocations that moved thousands of jobs out of New York City." (1988)
Macy's	Terry J Lundgren, CEO (P)	\$1,533,000	Sales tax exemptions from NYC IDA. (2001)
McGraw Hill	Harold McGraw III, chairman, president, and	\$54,289,000	PILOT, sales tax exemption, tax exempt bonds from NYC

McGraw Hill	Harold McGraw III, chairman, president, and CEO (P)	\$54,289,000	PILOT, sales tax exemption, tax exempt bonds from NYC IDA; JCRP Grant (1998)
Merrill Lynch (Bank of America)	Steven M Kenny, NY/NY commercial real estate executive (R); Thomas K Montag, president, global banking and markets (P)	\$28,600,000	Sales tax exemptions used to entice Merrill Lynch to expand in NYC. (1997)
Metlife	Michael A Zarcone, SVP (B)	\$37,320,000 (\$5,000,000)	MetLife received the property and sales tax breaks as part of a deal to move 1,700 employees to Long Island City, but was later penalized \$5 million for moving the employees to Manhattan, netting \$6 million on the deal. (2001)
Morgan Stanley	James P Gorman, CEO (P); David W Helleniak, senior advisor (P)	\$16,000,000	Received a Job Creation and Retention Program (JCRP) grant worth up to \$16 million to move employees downtown. (2005)
Nasdaq	Robert Greifeld, CEO (P); Glenn H Hutchins, director (P)	\$52,000,000	Grants, sales and property tax breaks from New York City. (2000)
National Fuel	David F Smith, CEO (B)	\$827,927	Property tax abatements and tax credits were granted to National Fuel subsidiary Empire Pipeline by Yates, Steuben, and Schuyler County IDAs (2008)
New York Life	Theodore Mathas, CEO (P)	\$214,506	Tax credits and rebates from Westchester County IDA. (2008)
Pfizer	Karen Boykin-Towns, VP public affairs (B)	\$47,500,000 (\$24,700,000)	Sales tax breaks, real estate tax breaks, energy benefits, cash grant from ESDC; paid NYC \$24.7 million penalty in 2010 after reducing its office space (2003)
Silverstein	Larry Silverstein, president (R); Roger Silverstein, SVP of leasing (R)	\$4,832,000	\$475 million in tax-exempt liberty bonds for 7 World Trade Center (2003)
Stroock	Leonard Boxer, chairman, real estate department (R)	\$700,000	JCRP grant (2002)
Sullivan &	H Rodgin Cohen, partner	\$18,560,000	Job Creation and Retention Program (JCRP) grant (2002)



Time Warner (Time Inc)	Deborah C Wright, director (P); Jeffrey L Bewkes, CEO (P)	\$35,221,000 (\$30,521,000)	Sales tax exemption, terminated due to employment reductions in 2010, after Time had received \$4.7 million in benefits. (1999)
Travelers	Jay Fishman, CEO (P)	\$11,000,000	
UBS (Paine Webber)	Robert Wolf, CEO Americas (P)	\$7,013,544	Tax credit/rebate and property tax abatement from NYC IDA
WalMart	Christopher Williams, director (P)	\$52,600,000	\$46 million in payments in lieu of taxes (PILOT) in Sharon, NY; \$2.2 million in infrastructure improvements in Marcy, NY; \$850,000 property tax break in Oneida, NY; \$1.4 million property tax break in Herkimer, NY; \$1.9 million in grants and infrastructure improvements in Johnstown, NY (1994)
Xerox	D Cameron Hyde, SVP, global account operations (B)	\$131,732	Tax credit/rebate and property tax abatement from Monroe County IDA. (2008)

**TOTAL APPROVED**

**\$2.1 BILLION\***

\* excluding reductions of \$553 million, amount granted totals \$1.5 billion

Note on figures/sources: The above table sets forth the approximate federal, state, and local subsidies that have been approved for companies linked to the Committee to Save New York. Amounts are not adjusted for inflation. In some cases, subsidy amounts are reduced or clawed back for various reasons, and the table makes note of this where possible. In many cases, subsidy amounts represent tax savings that is to be realized in the future. Sources for this data include the following: Good Jobs New York's subsidy database and other resources at its website, <http://goodjobsny.org>; the New York City Economic Development Corporation's Annual Investment Project Reports for 2005, 2009 and 2010; and Good Jobs First's Subsidy Tracker database, at <http://www.goodjobsfirst.org/subsidy-tracker>; and various press reports. B denotes Business Council of New York State; P denotes Partnership for New York City; and R denotes Real Estate Board of New York.