

NEW YORK POST

PHANTOM BUCKS STOP WITH ME: QUINN

By FRANKIE EDOZIEN

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April 9, 2008 -- Council Speaker Christine Quinn yesterday took responsibility for the shady bookkeeping scandal that has engulfed her office after the revelations that her aides squirreled away millions in taxpayer funds by allocating them to fictitious organizations.

"Let me say, first and foremost I am the speaker of the City Council, so obviously the buck stops with me on all of these issues. I take responsibility, obviously," Quinn (D-Manhattan) said yesterday after touring lower Manhattan's City Hall Senior Center.

Last week, The Post detailed how Quinn's office hid millions in taxpayer dollars by allocating them to phantom organizations as a way of holding on to funds to use later in the year after the budget had been passed.

Sources said that money was doled out as political favors to groups affiliated with lawmakers who had been loyal to the speaker's agenda, but Quinn insisted it was used to correct mistakes in the budget, funding groups that had fallen through the cracks.

She has said she knew of the practice of holding money in reserve and ordered it stopped, but only recently discovered that her staff not only continued to hold funds in reserve but also created fictitious groups to hold the funding allocations.

"At this time, we don't have more to say about it than what I said last week," said Quinn.

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municipal government.

Although many of the numbers have been made public, even many council members weren't aware that Quinn controlled \$21.2 million of the estimated \$50 million pork pot.

Aides said the council was allocated another \$300 million in "discretionary spending," but most of those funds went toward citywide purposes, such as libraries and Legal Aid.

Quinn, a probable mayoral contender next year, went out of her way to praise state Attorney General Andrew Cuomo for helping formulate some of the reforms.

The speaker said she learned that government funds were being parked in fake accounts late last fall or in early winter, after lawyers she hired to deal with a separate federal investigation turned them up.

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NEW YORK POST

QUINN GIVES UP THE GHOST FUNDS

By DAVID SEIFMAN, City Hall Bureau Chief



April 12, 2008 – Reeling from revelations that the City Council for years reserved funds in phantom accounts, Speaker Christine Quinn announced sweeping reforms yesterday in which she ceded the power for allocating more than \$20 million in political pork.

"Something went wrong," declared Quinn. "We are trying to fix that. I don't want there to be questions in the minds of New Yorkers."

Surrounded by 10 council members and two prominent good-government leaders, Quinn announced that the \$21.2 million in discretionary spending under the speaker's control in the current budget would be dispersed in future budgets by city agencies through a merit-based request for proposals to community groups.

A new independent compliance officer would be named to review the tens of millions of dollars the entire council gives out each year to local organizations - a process now being investigated by the US attorney and the city Department of Investigation.

Every funding request to the speaker and all council members would be posted on the Web in a searchable database.

Quinn, who became speaker two years ago, acted after The Post disclosed last week that the council since 2002 has hid away \$17 million under the names of fictitious organizations so the money could be spent later on genuine nonprofit groups.

"It is not an overstatement to say what Speaker Quinn is doing today will revolutionize a part of the budget process," said David Yassky (D-Brooklyn), who was among those joining Quinn at the announcement.

But other council members were on the verge of revolt, saying Quinn had exceeded her authority and was undercutting the prerogatives of the legislative branch.

"It's amazing how naked ambition to the mayoralty can result in the leader of the legislative body becoming the body's own worst enemy," said John Liu (D-Queens). "It's fine for Speaker Quinn to try and fix things in her own administration, but don't tie the hands of future Councils."

Lew Fidler (D-Brooklyn) said he had "grave" concerns.

"This is a shifting of a significant power we have here to the executive," said Fidler.

The council's annual distribution of political pork had been one of the most closely guarded secrets in

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