STATE OF NEW YORK
COMMISSION OF GOVERNMENT INTEGRITY

HEARING ON CAMPAIGN FINANCE PRACTICES
OF CITYWIDE AND STATEWIDE OFFICIALS

X

New York County
Trial Lawyers Association
14 Vesey Street
New York, New York

March 14, 1988
9:30 A.M.

BEFORE: JOHN D. FEERICK, CHAIRMAN
Guterman

MR. BIENSTOCK: Without knowing how many other people were guaranteeing and how large the loan was, you guaranteed your share of that 50,000?

THE WITNESS: Unless someone else was going to pay it for me, if it were not repaid, I would have no reason to worry how many other people were doing a similar thing.

CHAIRMAN FEERICK: Thank you for your participation in these hearings.

The Commission calls Donald Trump.

DONALD TRUMP,

having been first duly sworn by the Chairman, was examined and testified as follows:

CHAIRMAN FEERICK: Recognize Counsel Michael Bellinger.

MR. BELLINGER: Thank you, Mr. Chairman.

EXAMINATION BY MR. BELLINGER:

Q. Good afternoon, Mr. Trump.

A. Good afternoon.

Q. How long have you been doing business in New York City?
A. Since I graduated from college, about twenty years ago.

Q. And would you describe your business enterprises, please?

A. Primarily, the real estate business in New York City.

Q. Mr. Trump, in order to engage in real estate development and construction in New York City, there is a lot of interaction between your company and various tiers of City government?

A. I would say that's generally correct, yes.

Q. Would it be fair to say that oftentimes you feel there is too much red tape involved?

A. To put it mildly, yes.

Q. In fact, I think to demonstrate the inefficiency of New York City government as well as perform a public service, you reconstructed the Wollman Skating Rink; is that true?

A. Yes, I did.

Q. So one can say generally your confidence in the efficiency of local government is fairly low?
Q. And yet, according to the Board of Elections records that the Commission has examined, you contribute quite heavily to local campaigns?
A. That's correct. Yes.
Q. In fact, in 1985 alone, your political contributions exceeded $150,000; is that correct?
A. I really don't know. I assume that is correct, yes.
Q. What type --
A. Excuse me, somebody left a very heavy, very heavy gold pen, I assume it's Mr. Guterman.
Q. Mr. Trump, what forms do your political contributions usually assume; are they monetary contributions, loan guarantees?
A. Generally I guess monetary contributions. I think in some cases loan guarantees, yes.
Q. Mr. Trump, I am going to name a list of local political incumbents, and I would appreciate if you would indicate in which manner the campaign solicited you for contributions.

City Council President Andrew Stein?
Trump

A. How they solicited me?

Q. Were they personal solicitations, or a solicitation from someone else in the campaign?

A. Generally speaking, Mr. Stein or perhaps one of his associates would call me and ask to make a contribution. He had a pretty strong race with Mr. Lipper, as I remember it, and it was probably the only real race that I saw last time out, as I remember, but Mr. Stein would call me directly and ask for help.

Q. Have you ever been personally solicited for campaign contributions by Harrison Goldin?

A. I might have been. I really don't remember specifically.

Q. Mr. Trump, is it true that in the past you have made political contributions to Mayor Koch?

A. Yes. That is true.

Q. And were those personal solicitations by the Mayor?

A. I really don't remember specifically.

Q. Mr. Trump, in the past have you been approached to guarantee a loan by a specific
Trump campaign committee?

A. Well, I don't know what you mean by campaign committee. I would say that whether it was a committee, in many cases you have fundraisers and that's held by a committee. You have somebody giving a cocktail party for the various people and that's held by the committee, the committee to elect so-and-so, and so in that sense I guess the answer would be yes.

Q. Have you ever guaranteed a loan for a political candidate, sir?

A. I believe so, yes.

Q. And do you recall which candidate that was?

A. I think it was Andrew Stein.

Q. Do you recall the amount and when this loan took place, loan guarantee?

A. Not specifically, no, sir.

Q. Do you recall who approached you from the Andrew Stein campaign to guarantee the loan?

A. I don't really remember, no.

Q. Mr. Trump, would you please turn to Exhibit 34 in that book in front of you.

A. Okay.
Trump

Q. And flip through to page 8 of that particular exhibit.
A. Okay.

Q. Mr. Trump, does this document refresh your recollection as to the amounts and the dates of this loan guarantee?
A. Not particularly. I see that I have guaranteed $50,000, but not really, not too much.

Q. In fact, Mr. Trump, is it safe to say that the loan was repaid by you on February 20th of 1985?
A. I don't believe so.

A. Yes, I believe so, yes.

Q. And the date of the loan was June 6th of 1985?
A. That's correct.

Q. Mr. Trump, isn't it a fact that the Stein campaign approached you for this loan guarantee and gave you assurances that in fact you wouldn't have to repay the loan?
A. Well, I was under the impression that I was not going to be repaying that -- that I would be paid -- I was of the impression at the
time it was made that I would be getting my money back.

Q. And when were you disabused of that notion?

A. When it was time to get my money back.

Q. Mr. Trump, would you please turn to Exhibit 36 in that binder, and we have a photographic enlargements of that exhibit.

A. Okay.

Q. Sir, would you please go through these exhibits and identify which of these enterprises are either Trump-controlled or have significant Trump interests?


That's it.

Q. Mr. Trump, why aren't these political
Trump contributions just made solely in your name?

A. Well, my attorneys basically said that this was a proper way of doing it. In terms of anything else, I mean I usually got a call from a reporter as soon as this was filed, asking me why I made contributions.

It's pretty evident to most people that I own Shore Haven Apartments and that we own all these things. Generally our corporations are named after buildings, and so we have the name specifically of a particular property on them, so usually if from any other standpoint, if we made a contribution, Trump Village Construction Corp., I mean there weren't too many people that know that Trump Village Construction Corp. isn't owned by us.

So it was no own reason other than that lawyers informed us that this was the way people were doing. I don't even know specifically what the exact reason would be.

Q. Are you familiar with the personal limits that an individual could contribute to political campaigns in a calendar year in this state?
Trump

A. I know there was a personal limit. I am not sure exactly what that limit is.

Q. Mr. Trump, when I met with you in your office, you indicated that reduction in contribution limits would really not impact the system as you understood it; is that true?

A. I might have even said of course I think it would be a bad thing for the system in many respects.

Q. Could you explain your position, please?

A. I have gone through the federal campaigns, and frankly it's the best thing that ever happened to me because you're limited to a thousand dollar contribution. But I see a lot of Congressmen who spend their entire tenure trying to raise money, with a thousand dollar limit, as opposed to maybe working.

Maybe that's the reason that Japan is doing so well against the United States, because all our representatives are out trying to raise money.

When you have a thousand dollar limit or the kind of limit that's so small and yet you
Trump

have to raise millions of dollars to run in a race, or in the case of New York City officials in many cases millions, or hundreds of thousands of dollars, I think what it does is it really makes them campaign fundamentally to raise money and not be able to really keep their eye on the ball.

I thought, and it's of no great importance to be to a certain extent, but I thought it was a very great negative to see these limits changed or to see it changed dramatically.

I also said to you that I felt that it may have the effect of making a certain person dishonest, because he is so intent on winning an election, he can't raise money where it's obviously reported such as this, and everybody knows how it's reported, and it may very well, and I don't know of any such instance but it may very well be a tendency to panic a man running for office and make him dishonest.

Also as a third point I gave you at the time, having the names reported like this, every time I make a contribution, it's open, it's
reported in the New York Times, the News, the Post and every other newspaper, and I think that a politician has a certain amount of pressure on him to vote against me because of the fact that I made a contribution.

So having an open system, a system where you can make contributions, I think puts certain politicians essentially on notice that everyone is watching, everybody knows exactly what Donald Trump or anybody else made in terms of contributions to them, and I think they have to watch.

But I do believe that limiting the campaign only makes these people work very hard to raise money, and I believe that's all they are going to have time to do.

Q. Didn't you also say that this could quite possibly increase your influence, even though it might lower your personal limits, it would allow you or an individual similarly situated to call around and in fact raise money though it wouldn't come out of your own pocket?

A. I did say that. Let's say I was restricted to giving a thousand or a couple of
thousand dollars, I don't believe there is any way from a practical standpoint that I would be restricted to holding a cocktail party for a certain candidate, get 50 people to go to the party with two thousand apiece. And get the $100,000 contributions.

It would have a greater impact on his campaign than if I contributed $100,000 myself, and I think it would be, if the word can be appreciated, perhaps it would be appreciated, perhaps it wouldn't, but I think it would have a bigger impact actually on his campaign.

Q. Do you think that loans would be prohibited?

A. I don't really have a feeling on the loans. I think the loans perhaps could be intertwined with the rest of what we're saying, but I do believe that candidates, if they are restricted too much, are unable to focus on running a city, on running an office, on really doing the job that they were elected to do.

I think it's a very bad precedent, in speaking to the various federal officials who were under the horrible problem of having to
Trump

raise hundreds of thousands and millions of
dollars with $1,000 contributions.

I mean, I see these people, they are
literally campaigning all the time. I don't know
how they have the time to do anything else other
than campaign.

MR. BELLINGER: Mr. Chairman.

CHAIRMAN FEERICK: Mr. Trump, do you
feel a large contribution puts unnecessary
pressure on a public official, either to be
responsive to the contributor, or, my thought,
one's public image not being responsive but, if
anything, perhaps where it should be responsive
to a large contributor he is not because of the
large gift?

THE WITNESS: Sir, I don't think it's
great. I really don't.

CHAIRMAN FEERICK: I am sure you don't
think it's great.

THE WITNESS: I don't think the large
contribution is a great thing, but I do think
it's the lesser of the evils. I believe that a
large reported contribution, the word is
reported, if somebody makes a large contribution
Trump
to a candidate, and that particular candidate
obviously is going to be reported because -- I
know whenever I make, whether it's through
corporations or not, whether they have my name on
it or not, it's always reported in the
newspaper.

There is a tremendous amount of burden
on that particular candidate to do what's right,
and I really mean that. I believe the worst evil
is where a candidate is unable to raise money
because the amounts are so low, they are set and
they are very low, I believe that puts a
tremendous amount of increased burden on that
candidate, and I really believe it could even go
so far as as the ultimate step and that's to
create dishonesty against certain candidates.

I don't love the idea of large
contributions, but I think it's probably the
lesser evil in terms of all of the different ways
of -- there aren't that many alternatives, but in
terms of other alternatives.

CHAIRMAN FEERICK: Aside from my
staff, have you received questions as to why your
gifts are as substantial as they are?
THE WITNESS: Not particularly, not that I remember.

MR. VANCE: It seems to me from what you have said that it would be a corollary that full and complete disclosure and timely disclosure is absolutely essential; is that correct?

THE WITNESS: I do believe that, yes. I do believe that, sir.

MR. VANCE: Let me ask you a question about another issue here. Do you feel that it's necessary to make large contributions in the cost of doing business, you have concern that if you don't, you may get punished in some way in connection with things that you may have coming before the particular body involved?

THE WITNESS: I personally don't. But I can see that some people might very well feel that way, sir. I personally do not feel that way, as relating to myself; I believe that it's possible other people might as relating to themselves.

MR. VANCE: What about in terms of perceptions, how do you feel?
Trump

THE WITNESS: I think the perception
is in a way worse when I make a large
contribution, and maybe because I do get a bit of
attention by the press and other people, and if
they hear that Donald Trump made a contribution
it's always very heavily reported, and I think
that puts pressure on the candidate in a sense to
say based on this, and that happened to me, where
I was asking for something that was totally
proper and even good, and a candidate really was
under pressure to reject it because I made
contributions to his campaign.

And that is sort of the reverse of
what we are all here to discuss today. So I
really feel that, as you said, I think one of the
very, very important things is fast, adequate and
very strong disclosure, as opposed to limits on a
campaign.

CHAIRMAN FEERICK: Mr. Emery.

MR. EMERY: Mr. Trump, when did you
first start making campaign contributions in New
York City, either yourself or your corporate
entities controlled by you?

THE WITNESS: Pretty early in my
Trump

business career.

MR. EMERY: In the mid-'70s or before that?

THE WITNESS: I would say probably in the mid-'70s and early '70s, yes, sir.

MR. EMERY: Were your contributions during that period as substantial as the ones you are making these days, or have been making for the past few years?

THE WITNESS: Probably not, but I wasn't as substantial either. I think relatively they may have been as substantial.

MR. EMERY: Your first big deal in New York City was the development of the Grand Hyatt out of the old Commodore?

THE WITNESS: Yes.

MR. EMERY: That took place during the very last days of the Beame administration?

THE WITNESS: No, actually what people don't understand is that Ed Koch was the man responsible for signing off on the Grand Hyatt. The Beame administration had signed off, but then it was a difficult time in New York City, and various changes had to be made to the contract
and we went back to the Koch administration, as I remember it, it's a long time ago, but we went back to the Koch administration and that I had these changes, and ultimately it was a total review of the process, a signoff by various representatives of the Koch administration to get the Grand Hyatt built.

BY MR. EMERY:

2. Was that true also of the issue of the tax abatement that was granted during the latter days of the Beame administration?

A. Essentially it was the same. If Koch wanted to change, that was the document. If we wanted to renegotiate a new deal, I think people complained about that deal.

But if that deal were to be changed, that was the document that I needed the changes in, in terms of getting the financing from the various institutions. So while we had it pretty well set with the Beame administration, we then carried on into the Koch administration.

The deal was actually initially funded in the Koch administration, changes to the tax abatement and/or the lease which is basically the
same thing, but the lease is what gave the tax
abatement, were made during the Koch
administration, the early months of the Koch
administration.

Q. Had you given campaign contributions
to the members of the Board of Estimate during
the Beame administration?

A. I don't remember but I assume so, yes.

Q. And did you continue such
contributions, to the best of your recollection,
during the early days of the Koch administration?

A. I believe so. Yes.

Q. And have you continued that activity
with relative increases in accordance with your
relative increase in success up to the present
time?

A. I don't know if it's been relative
increases. I have continued it generally. If I
like somebody or I think they are doing a good
job in the City, I have a big stake in the City,
and if I think somebody is better than somebody
else, I generally support that person.

Q. Do you ever contribute to both sides?

A. Sometimes.
Q. Do you remember campaigns where you did that?
A. Not specifically, but oftentimes as happens, you will have two or three friends running for the same office and they literally are all coming to you asking for help, and so it's a choice, give to nobody or give to everybody.

I disclose it very openly because obviously it gets out in the newspapers two days later. It's not like I don't know what I am getting into.

I give to two or three candidates, sometimes three candidates at the same time. What I will do is tell all three that I am giving to all three. But I have contributed to candidates that are running against each other on the basis that both candidates are friends.

Q. And I take it that in those situations you vote in the elections here in the City; is that correct?
A. Yes.

Q. So in some instance you are contributing to candidates who are not running
Trump

against one another?

A. I guess that's right.

Q. So in some instances your vote tells you in the privacy of a voting booth which candidate you prefer?

A. That's correct, but in some instances I don't vote on that particular slate. I have had cases where I like both candidates, where I don't want to vote for either of them and have contributed to both.

Q. Is it fair to say that some of your motivation is that you don't want to alienate a friend?

A. I don't think it's the word alienate. I have developed a lot of relationships over the course of years, a lot of friendships, and I don't think the word really would be alienate. I don't want to hurt a friend, I don't want to have them feel that I have let them down when they are looking for their big shot at public office. I don't want to go as strong as alienate, because I don't think that I would alienate them.

Q. Are you aware of any real estate
Trump

developer in New York City who conducts their
business in New York City successfully without
making campaign contributions to a large number
of members of the Board of Estimate?
A. I really do not know.
Q. Let me ask you quickly, if I may, what
your professional relations are with Howard
Rubinstein or Howard Rubinstein & Associates?
A. He represents me on various projects.
Certain public relations aspects of projects like
he represents me on my book, I wrote a book, and
he recommended me to one of his people who
represented me on it.

Generally it's not having to do with
political issues. It's generally having to do
with holding back the press, holding the press at
bay if I am doing something, so I just can't take
the calls and what Howard would do is he would
funnel the calls or take the calls himself.

Q. How early on did you establish your
relationship with Mr. Rubinstein?
A. Pretty early on. I would say probably
around 1975 or so.

Q. Before the Commodore or Grand Hyatt
development?

A. I would say probably a little bit after. I am not exactly sure in terms of date. In that period.

Q. Mr. Rubinstein was active in the Beame administration as well as later on, active in the case that he is active as a fundraiser and public relations person in both the Beame and Koch administrations; is that right?

A. I believe.

Q. He played the same role for various people in both administrations?

A. I believe so. That's correct, yes.

Q. Does he ever come to you and ask you to make contributions to people that he is raising funds for?

A. Very seldom.

Q. But he does do that?

A. I don't even remember one instance, that's why I am using the term very seldom, to protect myself.

I don't specifically remember. It's possible that he has, but I can tell you it's not a lot.
Q. Do you know any major real estate
developer in New York City who does not have a
relationship with Howard Rubinstein as a public
relations person?
A. I imagine there are a lot of them, but
I really just don't know who they are.
BY MS. HYNES:

Q. You mentioned that you don't favor
lowering limits on campaign contributions. Do
you have a point of view on public financing of
campaigns?
A. I never liked the idea of public
financing, as to why I am not sure I can define
it. But I have never really liked the idea of
the concept of public financing. I look at this
as a freer system, I suspect, than that.

And I believe that if somebody's
capable enough to go out and win an election and
raise the money necessary to win an election and
do all the things necessary, I look at that to a
certain extent as being to his or her credit, and
I have never been a big fan of public financing.

I have never seen a public financing
that solved certain of the problems. One of the
other problems I had with public financing is that all the methods of public financing that I have reviewed have really very much discriminated against certain candidates, where how does it kick in.

If it's too a liberal, then everybody in the world can run for office, and if it's too tight, that is unfair to a lot of people because they wouldn't be able to run under any circumstances, because that would be not allowed.

So I never have been a big fan of public financing.

Q. Do you have any recommendations for is concerning campaign financing other than the public financing?

You said that public financing wouldn't solve certain of the problems. What are the problems that you think need to be solved in campaign financing?

A. I really think the biggest thing, this is just my view and I am not certainly an expert on it, but I think the greatest contribution that you can make is a major disclosure of the
contribution.

So that everybody is fully aware that Trump and that so-and-so and so-and-so gave to a certain person running for political office, and I really believe that public disclosure goes a long way to solving any of the problems that I would have with the law and the inequities of the law as it currently exists.

Now you do have public disclosure right now but it's not as rapid perhaps as it should be. Maybe it's not as open as it should be, maybe it should be more open. But I think the public disclosure can be perhaps tightened up somewhat.

MS. HYNES: Thank you.

BY MR. MAGAVERN:

Q. Mr. Trump, as I understand your testimony, you have developed reasonably close personal relations with most of the elected officials in New York; is that right?

A. I think I have a pretty good relationship with many of them, and with some I don't.

Q. Do you feel that those relationships
Trump

would suffer if you stopped making contributions all together?

A. I really don't know.

Q. Do you think that for someone not as well known as you, who has not been on the scene for as long, not been as predominant, that contributions may be a means to develop that kind of relationship?

A. I wouldn't answer that. If you're dealing within the ideal world, it certainly would have no effect. Maybe we are not dealing in the ideal world and that's why we are here today.

In the real world, I don't know. I can't answer. It really depends on the people involved.

Q. Do you feel it's important in your projects to have attorneys and other consultants who have good access to City government?

A. That's an interesting question, because I have really done it both ways. It's my turn to get turned down, because they say we just gave you this and this and this, and now it's time to turn your next client down.
Trump

I am not sure -- I don't know what access is. I think it's different than it was in years gone by.

Really this system is certainly not a perfect one in New York, and I have tended to use people that have a good track record, in terms of getting approvals.

But believe me, there is nothing in this City that's foolproof, as far as getting approvals for anything is concerned.

Q. Without being foolproof, you suggested a moment ago, I think, that some decisions are made based on who the attorneys are, who the firms are representing the developer.

A. Well, no, I don't term it in that way. I means in terms of order, meaning if a man has just won a big victory, represents a lawyer or whatever, has just won a big victory, perfectly legitimate victory, and then he has just won another perfectly legitimate victory, and he starts getting big publicity about he is the big guy in town, and he goes with me to win another victory, the psychology of that is that he will have a harder time.
Trump

Oftentimes you are better off going in, and I have seen it, but oftentimes you might be better off going in with somebody that's not winning such victories, and I have I believe it was one whereby I thought I should be entitled to something and, as I remember, I didn't get what I thought I should have gotten, but the attorney was doing very well for other clients.

I find that that's a psychological thing, but I think there is pressure. That's almost like public disclosure. There is pressure on certain people to really disclose.

Q. Are you aware of efforts by law firms to impress clients and potential clients with their access to City officials?

A. I think there is a lot of bravado in a lot of people, but I don't -- I think anybody that's sophisticated in this City nowadays, and especially with all the problems that we have been reading about over the last number of months and years, I don't think anybody takes anybody too seriously any more.

I think there is certainly bravado with regard to clients.
Trump

Q. You think we'll see fundraisers with elected officials with client development purposes?

A. I don't know if that's true, but I have certainly seen lawyers hosting fundraisers.

Q. Do you think business development might have something to do with those hostings?

A. Very, very possible, yes, sir.

BY MR. EMERY:

Q. Just a couple of more questions. I take it you have had several instances of issues that were up before the Board of Estimate, where you need Board of Estimate approval.

A. Yes.

Q. If you could describe for me how you go about that, I would really like to know, because I think it would help us evaluate the role of campaign contributions, or at least the appearance in the sense that you have to get access to certain people, you have to convince them that the issue that you have up there should be approached on the merits.

How do you do it, what do you do to get that accomplished?
Trump

A. First of all, it's a horrible process. And it's a process that is putting New York at a tremendous disadvantage. To get something approved now in New York is just a very -- anybody that needs approval is in a very unfortunate situation.

Now a lot of that, and this gets to be beyond I think even what you're looking at, a lot of that has to do with the fact that with all of the investigations going on, with all of the problems, with all of the indictments of people from a year ago, two years ago, to the present, public officials in this City are virtually impotent. They are not willing to act.

It's easier to let a company go to New Jersey which is doing very well under Tom Keane than it is for some public official, so there is no way we are going to lose that staple company from the Bronx or from Brooklyn. There is no way I am going to allow that to happen and then later on the question is why he fought for that company.

It's a very negative thing. All of the problems of New York have caused this, and I
Trump
don't know if anybody says or doesn't say it, it
doesn't make any difference to me, but I can tell
you that New York City is being put at a
tremendous disadvantage because we don't have
people fighting for causes that should be fought
for, because they never get in trouble if they
don't do anything.

Q. Just from your personal experience
where you had to get something approved where you
thought it should be approved on the merits,
let's say there was public opposition to it or
problems with it, how did you go about getting
that to occur?

What I want to know is the nuts and
bolts of who you relied on.

A. I will give you an example. I think
my most reasonable example is the Wollman Rink.
I was offering to build the Wollman Rink where I
was going to put up my money.

If it didn't work I didn't want the
City to pay me back. I was doing this as a
charitable contribution virtually from the
standpoint of risk. Certainly not business
decision.
Trump

This was something that I got tired of seeing this rink for six or seven years not built and built incorrectly. All the money that was being wasted.

I went before the Board of Estimate, and I want to tell you I had one hell of a hard time getting this approved.

Now, I had lawyers, and I had people working, but with all of this, here I am putting up the money, I am saying it will be open in six months, whatever.

Well, after all this we had a hard time getting approved. The session went well into the night and ultimately it was approved.

But that was no great thing, that was nothing -- by the way, the other thing was anything we had left over, as I remember, was going to go to charity.

There was no money in it for nothing. The only thing in it for me was a standard of somewhat of excellence in that we are going to finish something quickly and efficiently and get people ice skating in Central Park.

Q. That's not my question. I understand
Trump

your frustration, but I would like you to focus
in on the actual mechanisms that you have to
undertake to approach and communicate with
politicians who are ultimately going to cast
their vote, which lawyers do you rely on, do you
rely on Howard Rubinstein because of his
fundraising activities with respect to those?

A. Yes, sir.

Q. And what I am asking you is how you
get your initiative across.

A. The problem with the question, and
it's a very good question and a fair one, but
unfortunately there is some different kind of
approvals you need, for instance.

Q. I am talking about the Board of
Estimate only.

A. I understand that but to get to the
Board of Estimate, how do you get before the
Board of Estimate really has to be a part of that
question.

For instance, if you are looking for a
zone change, you have to go through an entirely
other and different agency, the City Planning
Commission. That probably has a great influence
on investment.

Local community planning boards have great influence on the Board of Estimate. That's one kind of approval. If you're looking for a contract to sell widgets in New York if you're looking for -- I don't believe you have to go through too many different agencies. You can go directly to the Board of Estimate.

Q. So assume for purposes of the question you have gotten through all the preliminary agencies and you're at the Board of Estimate, and it's a public issue. How do you go about --

A. You would go out and get your lawyer, before you go there hopefully you would have your lawyer, but you go out and get your lawyer and maybe get a consultant or so.

You make your presentation to the Board of Estimate. And then you in a sense would hope that everything goes well and everything is well.

Now as to which lawyer you get, which I think is really the crux of your question --

Q. How do you they make contacts?

A. Yes, it generally would be private
contracts during this negotiation, because oftentimes with the Board of Estimate it's negotiations, it's not a hard or cold no. So oftentimes it's a give and take. Which is I think a good thing, but oftentimes it is a give and take with the Board of Estimate and during this period of time you're dealing with either the board of system staff, the various individual staffs or you're dealing with somebody on the Board of Estimate directly.

Q. Do you play a role directly in those negotiations?

A. It depends how important it is. If it's big development or whatever, I play a role. I may very well make the calls. If it's something important to me I would likely make the call myself.

Q. Does it make any difference to you in that meeting that you may have given that person $150,000 over the past three years?

A. It doesn't make any difference to me. Your question is does it make any difference to them, and you have to ask them.

CHAIRMAN FEERICK: Thank you very
Halperin

much.

The final witness for today is Richard Halperin.

Richard Halperin,
having been first duly sworn by The Chairman, was examined and testified as follows:

Chairman Feerick: Michael Bellinger

Examination by Mr. Bellinger:

Q. Thank you, Mr. Chairman.

Good afternoon, Mr. Halperin.

A. Good afternoon.

Q. Thank you for your patience.

Mr. Halperin, by whom are you employed?

A. McAndrews & Forbes Group Incorporated.

Q. And how long have you been so employed?

A. Since February 1984.

Q. And what position do you hold there?

A. I am senior vice-president, special counsel to the chairman.

Q. And the chairman is?

A. Ronald Perelman.