

The scandal is what's legal: The trial of Gov. Cuomo's longtime aide reveals, again, the need to close Albany's LLC loophole

EDITORIALS

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In addition to laying bare the many dirty dealings of a close aide of Gov. Cuomo, the trial of Joe Percoco in Manhattan Federal Court has exposed the terribly wrong and perfectly legal method moneyed interests use to bypass Albany's already lax campaign finance rules through limited liability companies, or LLCs.

Begin with this absurd reality: In New York, donors to candidates for statewide office can already give their campaigns up to \$65,100, a limit 12 times higher than that allowed under law to candidates for U.S. President.

But even that greatly understates the piles of cash that people and companies can funnel into pols' coffers — without anyone being the wiser.

Under U.S. law, LLCs are considered either corporations or partnerships, and are thus strictly limited or barred outright from making campaign contributions. In the parallel nation of Albany, LLCs are considered people, able to give \$65,100. And there no limit on the number of LLCs that a real human person can create, often under obscure names that conceal who set them up.

Enter Todd Howe, a Cuomo pal turned lobbyist turned admitted criminal turned government witness who was tight with Percoco. Howe told the jury this week how he coached a donor who was trying to get in with the governor to use LLCs to funnel \$125,000 into Cuomo's 2014 reelection campaign via five checks from five different companies, all controlled by the donor.

And to sidestep scrutiny from a pesky press, Howe added, he was careful to ensure that none of the LLCs that gave to Cuomo have the word "COR" — too close to the company seeking favors, COR Development — in their names.

We repeat: All this is perfectly legal.

The Brennan Center at NYU Law School sued the state Board of Elections to reclassify LLCs as either corporations or partnerships, which have much lower contribution limits. Brennan lost the case and argued its appeal last month.

Another court loss is likely. Ultimately, it is the Legislature's duty to rein in LLCs — and the Legislature ain't doing it, even though Cuomo has offered a bill to close the loophole.

So the loophole stays wide open and Cuomo, like every other politician, keeps feasting at the trough. Whatever happens with Percoco, that's an absolute crime.