

# New York Lobbyist Sentenced to Three Months in Prison for Bribery

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November 2012

In late September, New York lobbyist Richard Lipsky was sentenced to three months in prison for bribery and conspiracy. In January 2012, Mr. Lipsky pled guilty to charges in connection with activities that took place between 2007 and 2011. Lipsky had been a lobbyist since 1981.

As part of its investigation into these activities, the United States Probation Office determined that New York State Senator Carl Kruger accepted bribes totaling as much as \$1,000,000 over a five-year period. A significant portion of this amount came from Lipsky, while some came from a health care consultant and the CEO of a hospital in Queens. Kruger was a New York State Senator from 1994 to 2011 and was the chair of the Senate Finance Committee for a portion of that time.

Lipsky made payments to Olympian Strategic Management Corp (Olympian), a company that was operated by two individuals that Lipsky thought were Kruger's stepsons. Some payments were made in the form of "referral fees" for clients that Kruger and his "stepsons" referred to Lipsky's lobbying firm. Other payments to Olympian were made in connection with projects on which Olympian did very little work.

As a result of the payments, Lipsky had constant access to Kruger, and Kruger took action on certain issues that Lipsky lobbied on. For example, Kruger took action against building large retail developments in his district. In his sentencing memorandum, Lipsky's attorney argued that Kruger would have taken these types of actions regardless of the bribery scheme.

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Based on the activities at issue, Lipsky faced up to 71 months in prison. His sentence was significantly less due to his cooperation with the investigation. Kruger was previously sentenced to seven years in prison and was assessed \$223,534 in criminal penalties. Several others involved in the scheme, including the other individuals who provided bribes to Kruger, are facing prison sentences.