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For Immediate Release  
Jan. 10, 2000

# **STATEMENT BY ATTORNEY GENERAL ELIOT SPITZER REGARDING THE STATE LOBBYING COMMISSION ACTION IN THE PHILLIP MORRIS CASE**

It is outrageous that the Lobbying Commission today failed to find that the Philip Morris Company engaged in willful violations of the State Lobbying Law, and failed to refer these clear violations for criminal prosecution. The Commission made a referral in the matter of one Phillip Morris employee, but is, in effect, protecting the company from criminal sanctions. This action constitutes an abdication of the Commission's statutory duties and makes a mockery of statutory enforcement procedures.

At least since 1996 -- and probably earlier -- Philip Morris and its top Albany lobbyist have engaged in a pattern and practice of submitting false reports to the Commission. These filings clearly violated the law by failing to list numerous expenditures in furtherance of the tobacco industry's lobbying activities. After these deficiencies first came to light, Philip Morris submitted amended filings in an effort to correct these errors, but those documents were also false and continued to conceal various expenditures. Even today, we do not know if the most recent set of Philip Morris reports are accurate.

Based upon these repeated false filings, the Commission should have found that Philip Morris's violations were willful, which would have triggered the statutory requirement for a criminal referral. If the Commission had any doubts about the evidence -- and apparently they considered it sufficient to levy a \$75,000 fine -- they could have subpoenaed numerous Philip Morris employees to determine what they knew about these violations. Instead, the Commission failed to subpoena any Philip Morris personnel other than company lobbyist, Sharon Portnoy. The Commission obviously made a conscious decision not to conduct a thorough investigation into Philip Morris' wrongdoing, and has used that as an excuse for its refusal to refer that wrongdoing for criminal action.

This is more than a missed opportunity, it is an action -- or more precisely a failure to act -- that is sure to continue and enhance public cynicism toward the process in Albany.