

# State panel moves to snuff Philip Morris lobbying practices

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**ALBANY** — The state Lobbying Commission voted yesterday to send a report on potentially illegal lobbying activities by Philip Morris to the Albany County district attorney for possible criminal prosecution — but not to state Attorney General Eliot Spitzer, who has been urging the panel to turn the matter over to him.

Spitzer immediately assailed the move, saying that the action lets other company officials off the hook, while targeting only the company's chief Albany lobbyist.

"The commission made a referral in the matter of one Philip Morris employee but is, in effect, protecting the company from cri-

minal sanctions," Spitzer said. "This action constitutes an abdication of the commission's statutory duties and makes a mockery of the statutory enforcement procedures."

Commission members discussed the issue in closed session. Executive director David Grandeau wouldn't comment on the reasons behind the commission action.

The case involves the world's largest tobacco company and their chief Albany lobbyist, Sharon Portnoy. The commission earlier fined the company \$75,000 for not reporting lobbying activities. It also fined Portnoy \$15,000 personally and banned her from lobbying at the Capitol for three years.

Philip Morris, which has operations in Rye Brook, originally reported spending only \$190,000 on lobbying activity here from 1996 through 1998. But after documents were disclosed that showed it had spent far more, the company amended its reports to show more than \$500,000 in spending.

The issue now is whether Portnoy or the company or both violated any laws by filing false reports that didn't specify gifts she and the company made to lawmakers, like expensive dinners and sports tickets.

"The first chapter of the Philip Morris scandal is over, but a new one could be beginning," said Blair Horner of the New York Public Interest Research Group,

which was been urging the state to tighten up lobbying regulations.

Commission member Milton Mollen urged the panel yesterday to send the issue to Spitzer, who has been saying for months that he should get the chance to consider a criminal prosecution.

But his motion got no second from other board members, and therefore died without further discussion. Then a move to send it to Albany County District Attorney Sol Greenberg passed 4-0 without comment. Mollen abstained.

Greenberg has said in the past that his office has little time to look into white-collar crime.

He said yesterday that he

couldn't comment on the case because he hasn't seen the documents yet. He added that he also couldn't say whether he might send the matter to Spitzer if he determined his office couldn't handle it.

The Philip Morris scandal prompted lawmakers to toughen up the lobbying law last month. The new measure allows for random audits of lobbyists' records and expands the law to cover local governments.

But yesterday, Grandeau said there wouldn't be any random audits until the commission gets the money to expand its staff.

Also yesterday, the Senate passed a resolution calling for both houses of the Legislature to ban gifts from lobbyists. But they

voted down a Democratic proposal to ban the gifts just for senators — something they could do without the OK of the Assembly.

"The Senate had agreed to voluntarily abide by the ban, and we believe the Assembly should follow our lead and make this binding on the Legislature," said Senate Majority Leader Joseph Bruno, R-Rensselaer County.

Democrats criticized the defeat of their gift-ban measure.

"It was an unbelievable act of hypocrisy," said state Sen. Richard Dollinger, D-Monroe County, who pointed out that Bruno favors just the ban the Democrats proposed. He added that it's unlikely the Assembly — which is run by the Democrats — will change its anti-gift-ban position.