

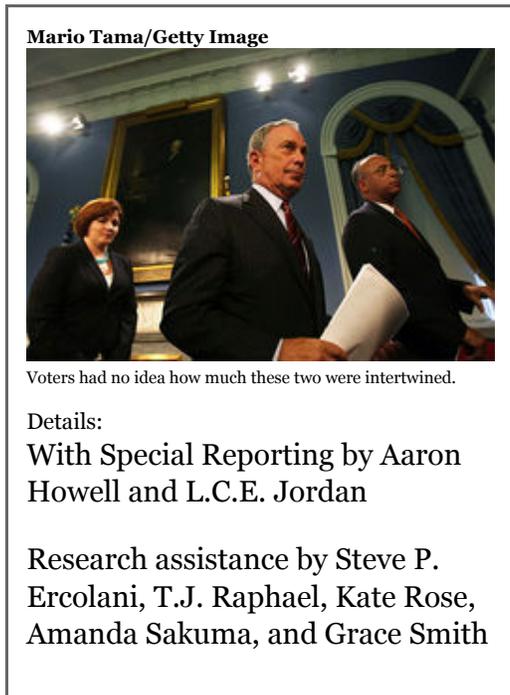


Bloomberg and Thompson: The (Really) Odd Couple

Now it can be told: The surprising ties between the billionaire mayor and the poor slob who ran against him

By Wayne Barrett

published: January 05, 2010



Mario Tama/Getty Image

Voters had no idea how much these two were intertwined.

Details:

With Special Reporting by Aaron Howell and L.C.E. Jordan

Research assistance by Steve P. Ercolani, T.J. Raphael, Kate Rose, Amanda Sakuma, and Grace Smith

This is an odd story about an even odder couple, and the surprising ties that bind them. It's a tale of intrigue about a mayoral contest that left New Yorkers feeling so cheated fewer of them voted than in any election since 1917. It also reveals how one of these odd partners compromised the other, subverting the independent checks and balances required of a mayor and comptroller by law.

As the curtain opens on 2010, the stars of the year in city politics, Mike Bloomberg and William Thompson, who were awkwardly allied since being inaugurated together eight years ago, are each moving on to new and uncertain phases of their public lives.

Bloomberg, who has suffered recent stunning setbacks in the City Council, has already discovered that third terms and narrow wins can diminish even mogul mayors. Thompson —entertained at Gracie Mansion at a post-election private breakfast and praised by Bloomberg as "a quality guy" who the mayor hopes "stays in public service"—is still considering a 2010 race against our unelected senator, Kirsten Gillibrand, or

unelected state comptroller, Tom DiNapoli ("Go for it," cheers Bloomberg). Friends of Thompson expect him to try, like loser Rudy Giuliani did in 1989, to stay in play on the sidelines and run for mayor again in four years, when a departing Bloomberg might throw him an endorsement or some checks.

Thompson, who only promises he will run again sometime for something, has suddenly become a darling of the media, which are now overcompensating for relying too obsessively on inaccurate polls that failed to anticipate a four-point margin of victory. Thompson, it turns out, got virtually the same total vote Fernando Ferrer did in 2005, while Bloomberg pulled in 180,000 fewer votes than he received last time. Thompson's close margin was less a result of his underappreciated strengths—the *Times'* Mike Barbaro correctly reported two weeks before the election that his "biggest obstacle" was "his own undisciplined campaign"—than they were of a result of Bloomberg fatigue. Thompson, in fact, had an "oddly relaxed" campaign schedule, with a single event some days, observed Barbaro, and was "chronically late" and often failed to appear at all. He spent more than half his money before the mid-September nominal primary, forcing him to rely on blink-of-an-eye, 15-second TV commercials in

November.

But that wasn't enough. Thompson's real role, for Bloomberg at least, was to help force the feared congressman, Anthony Weiner, out of the race, a goal that Bloomberg guru Howard Wolfson has openly acknowledged. Thompson obliged, giving up a sure third term as comptroller. Weiner himself explained in a *Times* op-ed when he withdrew in May that "running a primary against Thompson would only drain the ability of the winner to compete in the general election." Having lost to Ferrer in 2005 by 11 points, Weiner understood that minority candidates have won all but one of the Democratic mayoral primaries since 1985. So when the leading black politician in the city decided to make his improbable run, Weiner had nowhere to go but out. Thompson and Bloomberg might as well have had a first-round victory party together that night.

Like other powerful New York pols, Mike Bloomberg wanted to pick his own opponent. Gillibrand and Chuck Schumer spent a year setting the table for 2010, and, as one-time putative opponents Steve Israel and Carolyn Maloney can attest, the incumbent pair used every knife and fork available. Ed Koch picked his opponent when he derailed ex-congressman Herman Badillo and won a third term in 1985, and Giuliani did it when he submarined a possible challenge from Alan Hevesi in 1997. Faced with internal polls that we now know rarely put Bloomberg above 50 percent, he preferred an opponent whose vulnerabilities were well known to him, having already exploited them for years.

Thompson couldn't, for example, attack Bloomberg's development policies since, as a member of the city's Industrial Development Agency, he had voted 876 times in favor of the \$9.6 billion in bonds that underwrite the projects, opposing them only five times. Charged under the city charter with assessing Bloomberg's budgets and auditing his agencies, Thompson had instead gushed about the mayor for most of his two terms, leaving him with virtually no viable way of distinguishing himself from his golf buddy when the two ended up on opposite sides of the ballot.

What Bloomberg got with Thompson was a made-to-order challenge, so tame at times that a reporter, frustrated by Thompson's unwillingness to say a single critical word about Bloomberg at one September press conference, asked why he'd called it, and so over-the-top at other times (as when he promised to fire Police Commissioner Ray Kelly), that he looked grotesquely out of touch. The *Daily News'* Adam Lisberg captured it in a classic headline: "Nice-guy Thompson can't find the jugular." Thompson curiously decided to make schools the core of his attack on Bloomberg even as his key campaign consultant, Roberto Ramirez, was lobbying in Albany on behalf of a Bloomberg-tied group championing mayoral control. Thompson often looked like a befuddled shadow-boxer, tied to Bloomberg at the hip while serving up obligatory campaign lip. As for Bloomberg, he'd contended in 2008 that all the term-limits extension did was give voters the additional choice of voting for him, a supposed "expansion" of the franchise even as he overrode the result of two referendums. Then he maneuvered successfully in 2009 to narrow that choice to the opponent he wanted to face.

If voters had a vague sense that this was a mirage of a mayoral election, what follows is a damning set of facts that shows that these two supposed opponents were actually far more connected than we ever knew. They shared a very personal and subterranean agenda, the funding of a project dear to Thompson's heart. Remarkably, Bloomberg continued pouring new money into a project that benefited Thompson even in the heat of the campaign. It is a connection begging for explanation, but Thompson would not answer virtually any of the post-election questions posed by the *Voice*.

Stranger still, Bloomberg's press managers refused to provide any public information about that project—a museum—in the lead-up to the election, prompting me to tell the mayor's press secretary, Stu Loeser, that he was more helpful when I was writing an exposé about *the mayor* than when I was

reporting on the mayor's *opponent*. Since November, however, the city agencies that once stonewalled me have piled public papers on my desk.

Here, then, is the story about Bill Thompson that Mike Bloomberg didn't want you to know when he was running against him.

It starts with a single, unsettling fact: The mayor has directed or triggered between \$43 million and \$51 million in public and personal subsidies into a museum project led by Thompson's current wife and longtime companion, Elsie McCabe-Thompson, dumping \$2 million of additional city funding into it as late as September 30, in the middle of the mayoral campaign.

Thompson was so involved with his wife's Museum for African Art that he may have violated the city charter by using his office to solicit state and city funding for its grand new home now under construction, with marble floors and walls, at the end of Museum Mile on Fifth Avenue and 109th Street. While the project sounds admirable, the museum has attracted this funding at a time when it is little more than an office in a warehouse in Long Island City, with no permanent art collection of its own, no gallery, no accreditation from the American Association of Museums or the Association of African American Museums, and no connection or history with Harlem. It is so out of compliance with state legal requirements for museums that the best it could do, after weeks of *Voice* questioning, was shake "a letter of existence" out of education department officials, which it misrepresented as a "letter of good standing." Other outstanding African-American museums in the city, like the fully accredited Studio Museum of Harlem, which has a 1,600-object permanent collection and, unlike McCabe-Thompson's, has trained 90 artists-in-residence, receive a fraction of the public assistance showered on this monument to political connections.

The *Voice* has identified four city and state sources who say Thompson spoke to them on behalf of the project, a potential violation of Conflict of Interest Board (COIB) decisions that have resulted in fines when low-level city officials use their position to benefit their girlfriends or wives. While Thompson declined to answer questions about these contacts, a museum spokeswoman, Jeanne Collins, e-mailed that McCabe-Thompson was "unaware of any conversations" her husband may have had on the museum's behalf with individuals with "whom Ms. McCabe-Thompson did not have prior contact." Thompson "did not introduce the museum or Ms. McCabe-Thompson to any new funders," Collins said, never denying that Thompson pushed for funding the museum had already sought, as the *Voice* confirmed. In addition to Thompson's contacts, McCabe-Thompson noted in an application for funding from Manhattan Borough President Scott Stringer that she was "the fiancée" of the city comptroller, volunteering it as a form of disclosure. In fact, a Page Six item in the *Post* on June 6, 2006, announced that the "elegant" Elsie and the "smitten" Billy were dating, a story that Thompson advisers say they planted, making sure, not incidentally, that any possible funder out of the loop got the news.

Beyond Thompson's interventions on behalf of the museum, his office had to register its capital funding agreements and city contracts. Thompson's spokesman insisted that its contract unit only certified the project once, in March 2008, without any involvement at the top of the office. The spokesman insisted it was "approved as a matter of course," though the Bloomberg administration's Economic Development Corporation (EDC), which is shepherding the museum project and is convinced of its merits, says the comptroller "has sent back some funding agreement packages with questions or requests for more information." This project—which defaulted on or skirted several critical EDC deadlines, in addition to its questionable licensing status with the state—invited questions, but Thompson's office rubberstamped it. The city charter explicitly requires that capital projects receive the comptroller's approval, and he issues the directives that govern projects like this.

His office even reviews the contracts for the museum's operating grants.

Thompson's explanation for how he handled this conflict raises as many thorny issues as it resolves. He supplied a previously undisclosed memo to the *Voice* dated March 14, 2005, indicating that he'd recused himself on "all matters" related to the museum. He asked his top deputy, Gayle Horwitz, who had worked with him since he became Board of Education president in 1996, to handle it. Since Thompson had only left his wife, Sylvia Kinard, in late 2004, his recusal just a few months after the break-up suggests what his friends say, but Thompson has never conceded—namely, that he left Kinard to move in with McCabe, who did not become McCabe-Thompson until September 2008. Thompson told the *Post* during the campaign that "there was nothing between us until I filed for divorce," which he did on April 26, 2005, a claim belied by his earlier recusal. Kinard called McCabe-Thompson "The Hoverer," telling the *Post* she was invited by Thompson to their 1999 wedding and was "always around" during their marriage. Others have said that even before McCabe-Thompson took over the museum in September 1997, she was actively lobbying then-Board of Education president Thompson on behalf of the technology-training company where she worked. She was one of the first to contribute to his comptroller campaign in 1999.

In one more strange twist, the mayoral wannabe remained registered at the Brooklyn home that Kinard lived in for years after he left, though McCabe-Thompson's neighbors on West 97th Street say that his city car and police vehicles were parked morning after morning outside *her* door since 2005. Mono Cleaners, around the corner from her condo building, gave us tickets for the suits and shirts on McCabe's account that he picked up and dropped off there for years.

Stranger still, the clearest examples of Thompson's efforts on behalf of the museum occur right after he recused himself from having anything to do with it. In early 2005, he asked Deputy Mayor Mark Shaw and Council Speaker Gifford Miller to fund it. Shaw recalled that the contact occurred while the administration was putting together the budget at the start of the year. Miller's appointment diaries indicate that Thompson talked with him on April 22, a month after he recused himself and four days before he filed for divorce. It was the only time Thompson ever asked the Council speaker to fund a group, a source close to the former speaker tells the *Voice*, and Miller did, putting \$750,000 into the capital budget. Shaw recalls going to the budget office with the Thompson request. Though it was a year later that the *Post* reported he was smitten, the comptroller was recklessly proving it, despite his recusal, even before he sought a divorce.

The Bloomberg administration quickly got the message. Deputy Mayor Dan Doctoroff had been a critic of the project, according to a former EDC official who attended a meeting that included him and McCabe-Thompson. "Doctoroff didn't want to delay development of the site," recalled Barbara Resnicow, a senior vice president at the corporation who dealt with "the skepticism about it" at the top of the agency from 2002 through 2004. EDC had agreed in the late '90s, when Rudy Giuliani was mayor, to sell four city-owned parcels on the current site to the museum. But five or six years later, this prime property was still vacant and appeared to be going nowhere. "I have a clear memory," says Resnicow. "Doctoroff was very negative about the project." But, starting in 2005, the city's attitude suddenly shifted. It wasn't just that the McCabe/Thompson connection started to surface then, it was that Thompson's relationship with City Hall was simultaneously undergoing an overhaul.

In 2004, Thompson decided not to run against Bloomberg in the 2005 election, [a race he had toyed with briefly](#). Instead, Thompson endorsed Democrat Fernando Ferrer, but became so helpful to Bloomberg that his foot-in-each-camp dexterity was mocked in news accounts. When Thompson made his endorsement that August, he was asked to name three specific things Ferrer would do as mayor that Bloomberg hadn't, and he demurred, forcing the reporter to see if he could name one or two.

"You'd have to ask Freddy the question," said Thompson, who had gone out of his way to praise Bloomberg the day before the press conference and the day before that. Ferrer raised questions about the rising reading and math scores that Bloomberg was trumpeting, and Thompson told reporters he had no intention of auditing school achievement claims, saving that for his own campaign in 2009. In fact, during the 2005 campaign, Thompson did not host a single press conference revealing a critical audit of any Bloomberg agency. The Bloomberg camp understood that Democrat Thompson had no choice but to endorse Democrat Ferrer, especially since he was trying to build an alliance with Latinos for his own planned 2009 run, but a Thompson political adviser now acknowledges that the mayor "was quite happy" with Thompson's 2005 performance.

So, no doubt, was Elsie. The city increased its annual operating grant for the museum from \$62,700 to \$417,800 in the budget adopted that June. The Department of Cultural Affairs (DCA) says the hike was a "one-time commitment from the mayor and the City Council," coinciding with the calls to Shaw and Miller (Miller's father was a Thompson appointee on the New York Public Library board). In fact, although the 2005 grant was the museum's largest ever, its operating subsidy remained at \$192,000 the next year and continues at roughly that level, three times its pre-2005 average.

The day after Thompson's lukewarm endorsement of Ferrer, EDC's executive committee approved the discounted sale of the four city-owned parcels to the museum. Thompson joined Bloomberg at a press conference announcing a minority-hiring program shortly before the election, and two days after Bloomberg crushed Ferrer, the full EDC board approved the property sale to the museum for \$200,000 less than the appraised price. The ultimate discount was far greater since EDC stuck with its 2005 appraisal when the sale finally closed in 2007, though it had the legal right to update it, a substantial potential savings for the museum and its condo partners, who are building lavish apartments overlooking the park 14 stories above the three-story museum.

The lovefest between Bloomberg and Thompson was at its peak in 2007, when Bloomberg announced at a Guggenheim press event in February that the city would put [\\$12 million into the project](#). It was a stunning reversal. A week before, Thompson said he was "delighted" about Bloomberg's budget, expressing none of a comptroller's traditional caveats of concern. By April, Thompson declared that the mayor's budget was "[fiscal integrity at its best](#)." And in May, Thompson invited Bloomberg to speak at Tufts, where Thompson is a trustee, and the mayor declared: "I think Bill will go down in history [as maybe the best comptroller the city has ever had](#)." That November, the New York Empowerment Zone board approved the final \$2 million of a \$2.5 million grant for the project. Doctoroff was a member of the board, and if Congressman Charles Rangel, the state board member, or the city board member objects to a project, it isn't funded. When Wall Street started unraveling, Thompson installed a Bloomberg terminal in his office, just like the mayor has in his City Hall bullpen.

While the mayor's office will not say what Bloomberg knew about the ties between McCabe-Thompson and Thompson during these years (and neither will Thompson), McCabe-Thompson's spokeswoman did. "She has dined at the mayor's house and interacted with him at countless political functions at Gracie Mansion and elsewhere," said Collins's e-mail. "She has also attended occasional events (e.g., a ball game) with him, first as Mr. Thompson's date and later as his wife." Asked if the museum came up at any of these get-togethers, Collins reported: "In fact, Ms. McCabe-Thompson has few casual or professional conversations in which she does not bring up the subject of the museum." Stu Loeser says that Thompson never asked Bloomberg or any of the current deputies or top EDC officials to help the museum, but Doctoroff and the ex-EDC heads, Andrew Alper and Josh Sirefman, did not reply to *Voice* e-mails asking about Thompson contacts. McCabe-Thompson hailed Sirefman as a former consultant to the museum in a submission she made to Stringer's office while he was EDC president.

The level of Bloomberg support kept growing even in 2009. On June 25, the city announced the award of New Market Tax Credits for the museum, valued at nearly \$4 million, one of only five capital projects to be selected for this new program encouraging private investment. On September 30, the EDC board added another \$2 million in direct construction financing, bringing the total to \$16 million, including grants added by the City Council and Stringer, who is a friend and political ally of Thompson's. Stringer and Council Speaker Christine Quinn acknowledged in interviews that the administration's support of the project was, as Quinn put it, "a positive" and "a relevant fact" when they decided to add millions from their own, limited pools of capital funding. McCabe-Thompson put \$3 million more of expected city funding into the package that was voted on by the state's Public Authorities Control Board (PACB) on September 16. She also listed \$8 million in federal grants on the PACB submission, some of which remains unspecified. In addition to the \$2.5 million in federal funds that flows through the empowerment zone, she says she's received \$1 million in construction commitments from the National Endowment for the Humanities (NEH) that are only awarded to nonprofits that can prove they've received three times that much in other public funding, suggesting again the triggering effect of the Bloomberg grants. NEH is also providing \$717,000 to finance the first exhibits at the new location, and Rangel is seeking another \$450,000 earmark for a storage vault on site (he previously earmarked \$250,000, but would not answer questions about any role Thompson might have played).

Beyond the \$1.4 million in city operating aid that the museum has received in the Bloomberg years, the mayor has also put \$700,000 of his own money into it, steered through the Carnegie Corporation. McCabe-Thompson and Bloomberg LP refused to say if the company has given it anything else. Ironically, Thompson had the nerve in both debates to charge that Bloomberg was engaging in "pay to endorse" politics, alleging that the mayor was giving to groups "with the expectation of something in return." Thompson might have been projecting, but Bloomberg blowback could certainly have turned the allegation on its head. "Is that what I was doing when I gave hundreds of thousands to your wife's museum?" would have become every station's crushing debate sound bite.

Instead, Bloomberg just took the hit (by way of disclosure, my wife's nonprofit has also received Bloomberg grants, unsolicited and unaffected by my battering of him). Like Loeser's refusal to answer any of my museum questions before the election, Bloomberg's debate dodge on his supposed political philanthropy indicated that he, too, might have been pulling punches.

Thompson's quiet help for the museum did not, however, stop with city officials. A high state official in the Spitzer administration who asked not to be identified said that Thompson called him pursuing aid from the Empire State Development Corporation (ESDC). Though Thompson did not reveal his ties to McCabe-Thompson, "anyone who was involved knew what was going on," said the official. The state has either awarded or is poised to award \$17 million in construction support for the new site. McCabe-Thompson, who was Eliot Spitzer's moot court partner at Harvard Law School, got Spitzer to agree to equal the city's initial \$12 million capital contribution, and he and then-Lieutenant Governor David Paterson attended a groundbreaking ceremony in September 2007 announcing the match.

But it took a jolt from Paterson, after Spitzer's resignation in March 2008, to actually get the state money flowing. Four months after Paterson became governor, he directed ESDC to begin processing the first \$6 million in funding for the museum. Paterson declined to answer *Voice* questions about any contacts he might be aware of that Thompson had with him or other state officials, but he did tell a source that discussed this story with him that "Billy called everyone." ESDC chief Avi Schick wrote McCabe-Thompson on July 2, 2008, saying he was "pleased to inform her" that Paterson had "recommended" a \$12 million Art & Culture grant for the museum. "To commence processing of this

grant," Schick urged her to apply, putting a very loaded cart before the horse.

An ESDC vice president wrote her again in April 2009 "to invite her to apply," and ESDC officials then guided the museum step by step through a long application process. When the agency tried to calendar the first \$6 million grant for a board meeting, an official had to ask McCabe-Thompson twice for a memo explaining why it was "urgent" that the funding be approved. When the agency questioned why McCabe-Thompson had only accounted for \$66 million of the \$113 million pricetag on the project (both numbers were grossly inflated), she simply said that the museum could cut \$30 million in costs mostly associated with the Nelson Mandela Center, a historical feature of the museum that she had used to appeal to private funders and the Mandela Foundation in South Africa. An assistant secretary to the governor, Arana Hankin, repeatedly and atypically contacted ESDC about the project, and Paterson personally attended the August 2009 board meeting when the grant was approved, a rare occurrence for any governor. After the grant was approved, the museum inquired about the second \$6 million, and an ESDC e-mail suggested: "Maybe you should inquire directly with the Governor's office." ESDC says that the museum has also applied for a \$5 million Downstate Revitalization grant, which would come atop the \$12 million, and that funding decision is pending. Though there has been much media speculation about Thompson running with Paterson's likely opponent, Andrew Cuomo, Thompson has been publicly urging Democrats [to get behind Paterson](#).

ESDC e-mails also raised questions about the museum's charter with the Board of Regents, which lapsed two months after McCabe-Thompson became president in 1997 (she had her title immediately changed from executive director). The five-year charter has never been renewed. The charter itself said it would become "void" unless the museum applied for another provisional or absolute charter before the expiration date. The museum finally sought an absolute charter in 2004, but it did not file its annual reports, which are required by the Regents, until the end of 2008, when it retroactively made submissions for 2004 through 2006. Despite 12 years of derelict filings, the Board has never formally acted against it, in large part because it rarely takes action against institutions out of compliance. After *Voice* inquiries, the museum sought this December to renew its provisional charter, but was too late to get on the board's agenda. The museum acknowledged its "discrepancies in status" with state chartering officials in 2009 e-mails with ESDC but said they usually resolved questions "by providing a certificate of good standing issued by Kirti Gotswani," a lawyer at the State Education Department. But Gotswani tells the *Voice*: "We can't say they're in good standing," insisting that all he has done is provide a letter confirming that the museum "can do business in the state." The Bloomberg administration questioned the museum's status in 2005, forcing it to write the Regents seeking an immediate absolute charter. But when that couldn't be done, the city apparently backed off from the demand. When the *Voice* asked the city's cultural affairs department if it was aware that the museum's charter had not been renewed since 1997, the agency said simply that it was.

By every standard other than its grand new home, the museum has declined dramatically under McCabe-Thompson, who relocated it from Soho to Queens. It reported earning \$326,217 in fees for the exhibits it organized and showed at other venues in its 1998–1999 filings—McCabe-Thompson's first full year. By its most recent filing in 2007–2008, exhibit fees had plummeted to \$102,500. It published and sold so many catalogs associated with its exhibits that it reported a \$121,153 profit in its 1999–2000 annual filings; now that number is blank on the filings. It ran a store that sold \$331,831 worth of African art and other objects in its peak year. That's down to \$13,225. Its educational programs dropped from \$421,161 to \$143,063. Its membership, once lofty, fell to 130 members by 2006, according to its latest filing with the Regents. The more the museum declined, the greater government support it drew. Its gross receipts bottomed out in 2005 at a quarter of what they were when McCabe-Thompson took over, and that's precisely when the city started the ball rolling in its direction. That's also when it closed its gallery to cut its rent in half.

What did go up were its management and general expenses, tripling under McCabe-Thompson. Her salary went from \$102,000 to \$184,069 by 2003–2004. The museum declined to say what it is now, what her other benefits are, or whether the personal loans listed on its financial records involve her. She took out a mortgage on her West Side apartment with the same bank that she simultaneously secured an annual \$150,000 credit line for the museum. She told friends that she was trying to get one or two condo apartments for the museum from the developer. The museum's travel expenses, which were zero in 2001–2002, hit a high of \$516,813 in 2004–2005. Much of that is associated with what it cost to move exhibits, but the travel amount billed to management and fundraising (her two functions) hit nearly \$100,000 a year later, almost as much as the amount billed to the program services tied to the exhibits. The more the museum depended on connections, the less it did for its African art constituents, the more it spent on itself, and the better it fared as a magnet for public funding.

"I hated the project from the beginning. I really disliked it," says East Harlem City Councilwoman Melissa Mark Viverito, who represents the area, conceding that when it became a fait accompli, she allocated \$250,000 in capital funds to it, a fraction of the millions Quinn and the Council leadership delivered. State Senator Bill Perkins, who lives across the street from the site and has long opposed it, wasn't informed when the PACB voted for it in the fall. Even the city conceded in legal documents that it wasn't the "highest best use" of the city-owned land, and Community Board 11 at one point voted against it.

Controlled by the Housing Preservation and Development agency until it was transferred to EDC for sale to the project, the site was seen by Viverito, Perkins, and Stringer's predecessor, Virginia Fields, as a natural for affordable housing. The museum, which owned the parcel fronting Fifth Avenue, insisted instead on partnering with Brickman Associates, the developer that is now building multimillion-dollar condos. The company, whose owner, Bruce Brickman, has reportedly boasted about his longstanding ties to Thompson, won McCabe-Thompson's favor by offering to build the core museum at cost, cover the land price, and donate \$5 million to it, a total value of \$20 million, according to estimates in city filings. Ironically, there may be no better example of the Bloomberg administration championing projects for the rich, the theme of the Thompson campaign.

When the deal was initially approved at the end of the Giuliani administration and the beginning of Bloomberg's, the rationale was 450 permanent new jobs. The museum was then partnered with Edison Schools, the controversial for-profit public company that planned to build [its national headquarters and a charter school there](#). Edison collapsed and sold its site to the museum in 2003, reducing the museum's estimate of new full-time employees to 16, a threshold it says it will not reach for eight years. Then the justification for re-approving the project shifted to its marvels as a tourist attraction and economic development engine. A recent *Times* front-page story ("In the Arts, Bigger Buildings May Not Be Better") reported that across the country and in New York, major arts projects were being "delayed, scaled back, put into question or abandoned altogether," concluding that planners of these "ambitious" projects had "succumbed to an irrational exuberance that [rivaled the stock market's in the boom years](#)." Thompson tried to make Bloomberg's Yankee Stadium boondoggle an issue in the campaign, contrasting the jobs created with the public investment, but he'd voted for most of it, and, as it turned out, he'd pushed for his own miniature facsimile, with [its own elaborate theater](#).

The city charter was rewritten in 1989 to enhance mayoral power. It is the soul of the city and depends upon an independent comptroller and Council as the constitutional counterpoints to mayoral excess. Yet that is hardly what we've had in Bloomberg's first two terms. He has driven this project so far that the public funding, including the state grants he sparked, exceed by far the \$38 million cost of the museum's core construction. There is no way for us to know if the city's museum largesse was a

motive for Thompson's obsequious oversight of the Bloomberg era, or simply a consequence of the intertwine between them. He was no doubt more mayoral understudy than overseer. There is also no way to know if the Council's museum generosity had anything to do with why Thompson never noticed its bogus slush-fund budget documents, or even audited its discretionary expenditures after the scandal blew. Bloomberg can smell an edge on the ground from the private plane he used to fly Thompson to ball games in, and he's milked this one for years, perhaps all the way to re-election. Quinn might have exploited it, too, though she says she's usually "the last to know" gossip like who Thompson was dating.

Bill Thompson, the city's newly discovered media hero, seems so understated and reassuring that he deflects attention from the mess his private life has always been. He took a favorable mortgage and credit line in 2008 from a bank his office had done billions in business with, getting a letter from the bank saying the transaction was proper rather than doing what thousands of low-level city employees do every year, seek an opinion from the Conflict of Interest Board. When he worked as an investment banker in the '90s, he failed to take key securities tests six times in three years, operated without a license, and [broke a half-dozen securities regulations](#). No one has noticed, amid Andrew Cuomo's pension fund prosecutions, that Thompson was functioning in the '90s as an unlicensed placement agent, before anyone knew what that was and before comptrollers like him started banning them from their offices.

In addition to his clear-cut efforts to benefit the museum with public funders, there are several disturbing indications that he may have used his muscle with private backers as well. The largest single corporate donation to the museum comes all the way from Los Angeles, a million-dollar check from Disney. Thompson's pension funds held [at least 7.6 million shares of Disney stock throughout this period](#). In 2004 and 2005, Thompson switched from opposing Michael Eisner as the company's chair and CEO to supporting him, abandoning a coalition with seven other large funds. Disney even hired mega-lobbyist Patricia Lynch to push him, and she did, also contributing to him at the same time.

It's unclear when the decision was made to bankroll the museum, though Disney's spokesman connects it to a decision Eisner made shortly before he left in 2005, when he donated the company-owned Tishman collection of African art to the Smithsonian's National Museum of African Art. The Disney check wasn't written until McCabe-Thompson organized that phony 2007 groundbreaking ceremony with Spitzer, which preceded actual construction by two years but ostensibly did generate donations tied to an ongoing project. Disney fits a pattern, with JP Morgan Chase and others bringing wheelbarrows of money to the museum just as they steered them out of Thompson's office.

Good things can come from bad, and perhaps the Museum for African Art astride Museum Mile will prove to be that. Elsie and Bill Thompson, as well as Mike Bloomberg and David Paterson, will certainly celebrate it when the grand opening occurs late next year. So will many New Yorkers, especially African-Americans. The museum has put on hailed exhibits in the past, and is even beginning to assemble the first collection of its own. And if it inspires and informs up the road, it may transcend the stain of its origins. The price we have paid as a city is not visible, while its art will pack school and charter buses.

We do know, though, regardless of what the museum becomes, that this is not the way it should have been built, one compromise atop another, a memorial to machination. The sheer size of the Bloomberg subsidies, as well as his eagerness to add to them right into October, has cast a cloud over an election already darkened by the unprecedented end-run around two popular referendums. The bizarre specter

of a mayor unloading public funding on a project so tied to his public bookkeeper and eventual opponent has distorted democracy, both in the years before this election, and in the only moment when New Yorkers, at least theoretically, had their say. If legitimacy is necessary to govern, even for the richest man in New York, he cannot rig consent.

wbarrett@villagevoice.com

