

# **EXHIBIT K**



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## Joe Bruno guilty of two of eight charges

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ALBANY – A federal jury found former Senate boss Joseph L. Bruno guilty today of robbing taxpayers of his "honest services" by collecting hundreds of thousands of dollars in outside consulting fees from groups with business before the Senate.

The stunning verdict – which will be widely seen as a condemnation of Albany's pay-to-play culture and the practice of allowing lawmakers to keep lucrative side jobs – casts a pall over the decade Bruno spent as one of the state's most powerful Republicans.

The jury of seven women and five men returned to the court just before 4:20 p.m. and confirmed that they had found Bruno guilty of two of the eight felony fraud counts against him.

They found him not guilty on five counts and said they failed to reach a verdict on the remaining count despite seven days of deliberations. Both convictions stem from Bruno's consulting deals with Albany-area businessman Jared Abbruzzese.

The 80-year-old retired lawmaker faces up to 20 years in federal prison for each of the two counts after a March 31 sentencing by Northern District Judge Gary L. Sharpe, though experts say the aging Korean War veteran is unlikely to serve much if any prison time.

Bruno resigned in June 2008 after a tumultuous 13-year reign as Senate majority leader – one of Albany's "three men in a room" - and 18 months as the state's highest-ranking Republican.

The one-time Army boxing champ cast himself as a farmer and folksy advocate for upstate New York. He delivered tens of millions of dollars in pork to his Albany-area district, earning himself a bronze bust at the local airport and a minor league ballpark with his name on it.

The verdict ends a month long trial in which more than 70 lawmakers, labor leaders, corporate executives, and legislative staffers testified as prosecutors sought to prove Bruno illegally traded his title for more than \$3 million in consulting fees and other payments between 1993 and 2006.

Bruno was indicted Jan. 23 on eight felony mail fraud and wire fraud counts for allegedly concealing his ties to three businessmen and a pair of investment firms.

The financial firms – Wright Investors Services of Milford, Conn., and McGinn-Smith & Co. of Albany – paid Bruno fat commissions for helping them land pension investment deals with politically active labor unions.

Prosecutors say the businessmen – Abbruzzese, Russell Ball and Leonard Fassler – each gave Bruno no-show consulting jobs through companies they controlled at the same time they were pursuing grants, contracts and legislation from the state.

Bruno, meanwhile, condemned the case as a political witch hunt by U.S. Attorney Andrew Baxter and the FBI.

His defense team, including D.C. white-collar defense guru Abbe Lowell, argued that Bruno, as a member of the state's part-time Legislature, had a right to outside work. His lawyers said all of Bruno's business activities were thoroughly vetted by lawyers and ethics officials.

They contend Bruno never granted a political favor to a business associate or asked an aide to hide his activities.

The government's three-year probe found no clear evidence of a quid pro quo. The feds instead built its case on a controversial federal law that makes it crime for a public official "to deprive another of the intangible right of honest services."

The 20-year-old statute has been used to secure convictions of numerous public officials, including former D.C. lobbyist Jack Abramoff, former Enron CEO Jeffrey Skilling and, this summer, former state Assemblyman Anthony Seminerio (D-Queens).

The U.S. Supreme Court recently agreed to examine the law as part of Skilling's appeal.

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