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-----X
STATE OF NEW YORK
OFFICE OF THE INSPECTOR GENERAL
-----X

In Re:

R A C I N O I N Q U I R Y

-----X

May 13, 2010
1:55 p.m.

EXAMINATION of ERIC ADAMS, taken by
the State of New York Office of the Inspector
General, 61 Broadway, Suite 2100, New York,
New York 10006, before Donna A. Metz, a
Registered Professional Reporter and Notary
Public in and for the State of New York.

♀

2 A P P E A R A N C E S :

3

4 STATE OF NEW YORK OFFICE OF
THE INSPECTOR GENERAL
5 61 Broadway (Suite 2100)
New York, New York 10006

6 By: PHILIP F. FOGLIA, ESQ.,
7 Special Deputy Inspector General
Chief of Investigations
8 Philip.Foglia@ig.state.ny.us

9 FELISA HOCHHEISER, ESQ.
10 Director of Quality Assurance
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11 ANNE PETERS
12 Investigator
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13
14 NEW YORK STATE SENATE
15 Attorneys for the Witness
Alfred E. Smith Office Building
16 Suite 2614
Albany, New York 12247

17 By: MATTHEW R. SMALLS, ESQ.,
18 Special Investigative Counsel
MSMALLS@SENATE.STATE.NY.US

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2

3 E R I C A D A M S ,

4 having been first duly sworn by the

5 Adams 5-13-10
Notary Public (Donna A. Metz), was
6 examined and testified as follows:

7 EXAMINATION

8 BY MR. FOGLIA:

9 Q. Senator --

10 A. Can I raise one point before we
11 start?

12 Q. Off the record?

13 A. On the record.

14 I am hoping that at the conclusion
15 of this, that your office will report on this
16 process.

17 This process, it disturbed me. It
18 was created beyond my arrival, but I'm hoping
19 that out of this whole thing that we look at
20 how we do our procurement and I am hoping
21 that's one of the recommendations your office
22 makes.

23 Q. We most definitely will be doing a
24 report, and I think it will be comprehensive
25 and touch the issues that you just mentioned.

♀

4

1 Eric Adams

2 I just wanted to thank you for
3 coming in today. I appreciate you coming in
4 voluntarily.

5 Are you represented by counsel
6 today?

7 A. Yes.

8 Q. You are aware that the Inspector
9 General is conducting an inquiry into the
10 process whereby franchisees were selected
11 to run the VLT operations at Aqueduct
12 Raceway?

13 A. Yes.

14 Q. That is what we will be asking you
15 about today.

16 A. Okay.

17 Q. Senator, when were you first
18 elected?

19 A. In two thousand and -- 2007 -- 2007.

20 Q. Is when you first assumed office?

21 A. Yes.

22 Q. Were you assigned to any committees
23 at that time?

24 A. Yes.

25 When I was first elected I was

♀

5

1 Eric Adams
2 assigned to the -- a host of committees:
3 Homeland Security, Crime and Correction, and a
4 few ancillary committees also.

5 Q. When were you first assigned to the
6 Racing and Wagering Committee?

7 A. After my second term.

8 Q. And you assumed the chairmanship at
9 some point?

10 A. Yes.

- 11 Q. When was that?
- 12 A. 2008.
- 13 Q. Are you familiar with tax law 1612
- 14 which is the authorizing statute for the VLTs
- 15 at Aqueduct Raceway?
- 16 A. Roughly. I don't have a mastery of
- 17 it but I have a rough understanding of it.
- 18 Q. Do you recall when it was before the
- 19 senate for a vote?
- 20 A. No.
- 21 Q. Did you participate in any way in
- 22 that legislation?
- 23 A. No.
- 24 Q. Do you recall voting for it?
- 25 A. No.

♀

6

- 1 Eric Adams
- 2 Q. Do you know if there was a committee
- 3 report concerning that legislation?
- 4 A. No, I don't.
- 5 Q. And there was no debate on the
- 6 floor?
- 7 A. If there was, I don't recall it.
- 8 Q. By whom were you appointed chairman
- 9 of the Racing and Wagering committee?
- 10 A. At the time it was Senator
- 11 Sampson -- Senator Smith. He was the
- 12 President Pro Tem, Majority Leader.
- 13 Q. Do you recall when that was?

14 A. Immediately after all the committees
15 came down, I think it was in the beginning of
16 the year in January.

17 Q. of 2009?

18 A. Yes.

19 MR. SMALLS: 2009 --

20 A. No, 2008.

21 Q. You were chairman at that time?

22 A. Yes.

23 Q. Prior to you being elected, did you
24 know Senator Smith?

25 A. Yes.

♀

7

1 Eric Adams

2 Q. And how did you know him?

3 MR. SMALLS: I am going to object at
4 this point.

5 My objection is based on the scope.

6 I don't know that, prior to the
7 Senator's election -- let me say I don't
8 know.

9 It's my assertion that anything that
10 happened prior to the Senator's election
11 is wholly irrelevant to the scope of the
12 investigation.

13 You have just stated that you have
14 an inquiry into the process by which an
15 operator was selected, the operator of
16 the VLT.

17 Just proffer to me why it is
18 relevant whether Senator Adams knew
19 Senator Smith.

20 MR. FOGLIA: You certainly can make
21 an objection. I am not going to make a
22 proffer as to why I am asking the
23 question.

24 You certainly should be able to see
25 the relationship between the parties and

♀

8

1 Eric Adams
2 what happened with respect to Aqueduct is
3 relevant.

4 So your objection is noted for the
5 record.

6 Q. Do you have a problem with answering
7 how you know Senator Smith?

8 MR. SMALLS: I object. You don't
9 ask my client whether he has a problem.

10 MR. FOGLIA: Matthew, we have been
11 through this at the last session.

12 I really object to you intruding on
13 the process with every question.

14 If there is a problem with the
15 question you can state your objection.

16 Q. Sir, if you have a problem you are
17 free to consult with your attorney if you
18 like. You can do it out in the hall.

19 Any time you want a break, you can

20 ask me and we will take that break.

21 Again, how do you know Senator
22 Smith?

23 A. Just from him being a senator.
24 That's the extent of our relationship.

25 Q. The same is true of Senator Sampson?

♀

9

1 Eric Adams

2 A. Yes, sir.

3 Q. Okay.

4 For shorthand purposes, I am going
5 to describe the VLT process in two phases,
6 the first one being the phase that selected
7 Delaware North and the second being the phase
8 that selected Aqueduct -- AEG.

9 Okay?

10 A. Yes.

11 Q. So I am going to ask you questions
12 now with respect to the first phase, which is
13 the phase that selected Delaware North.

14 A. Yes.

15 Q. Were you involved in that phase of
16 the selection?

17 A. No, I wasn't.

18 Q. Were you involved in any way in the
19 deselection of Delaware North?

20 A. Explain that to me more.

21 Q. Delaware North was awarded, at least
22 temporarily until they had some difficulties,

23 the franchise at Aqueduct raceway; correct?

24 A. Yes.

25 Q. And then there came a point where

♀

10

1 Eric Adams

2 they were no longer the selectee, for lack of

3 a better term?

4 A. Yes.

5 Q. Were you in the Senate at that

6 point?

7 A. Yes.

8 Q. Was there any discussion with

9 yourself and any of the other senators with

10 respect to that deselection of Delaware

11 North?

12 A. No.

13 Q. So you had no involvement whatsoever

14 with what I am calling Phase 1?

15 A. No involvement at all.

16 Q. Okay. Now, Phase 2 is the phase

17 where AEG was selected.

18 Did you have some participation in

19 that phase?

20 A. Yes.

21 Q. What was your participation?

22 A. I was the chair of the committee and

23 my role was merely to speak with Senator

24 Sampson and give him my recommendation, my

25 nonbinding recommendation.

♀

1 Eric Adams
2 Q. Okay.
3 Was it your understanding that
4 Senator Sampson was the one who was going to
5 make the decision with respect to the Senate's
6 position on the franchise holder?
7 A. Yes.
8 Q. The legislation mentions three
9 parties.
10 Are you aware of that, the
11 authorizing legislation?
12 A. Yes.
13 Q. It says that an MOU will be agreed
14 upon by the Senate Pro Tem -- the President
15 Pro Tem of the Senate, the Governor, and the
16 Speaker.
17 Is that correct?
18 A. Yes.
19 Q. And who at that point was the
20 President Pro Tem of the Senate?
21 MR. SMALLS: At which point?
22 MR. FOGLIA: At the point that the
23 selection was made.
24 A. During the selection process time?
25 Q. Yes.

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Eric Adams

A. Senator Malcolm Smith was the President Pro Tem.

Q. From the point that the solicitation for the franchise went out, which was April of 2009, do you know who the President Pro Tem of the Senate was?

A. In April 2009 --

Q. Yes.

A. -- at the beginning of the selection process, Senator Smith was the President Pro Tem, in April 2009, yes.

Q. Senator Smith was?

A. Yes.

Q. Senator Smith, therefore, was to be the signatory, am I correct, on the MOU?

A. Yes.

Q. Did there come a time when Senator Smith relinquished that role?

A. I need you to help me to define, when you say "relinquish."

Q. Recused himself in some way from the process because of the relationship he had essentially with one of the bidders.

A. Of my knowledge, there was no -- he

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3

Eric Adams

didn't formally send in any indication to me more than to tell me I'm not involved in the

4 process. He verbalized that.

5 Q. Just for clarification, Senator
6 Smith verbalized to you that he was removing
7 himself from the process?

8 A. Right, he's not part of the process.

9 Q. So he would not be the signatory on
10 the MOU?

11 A. I don't know what his definition was
12 of not being a part of the process.

13 My understanding, the statute called
14 for him to be the person who signed off on the
15 MOU.

16 I don't think he can just
17 arbitrarily not sign off on it, but he wasn't
18 participating in the process.

19 Q. Okay.

20 Because there was no provision in
21 the law, is there, as far as you are aware,
22 for substituting him for someone else?

23 A. I am not aware of that.

24 EXAMINATION

25 BY MS. HOCHHEISER:

♀

1 Eric Adams

2 Q. Can you place the timeframe on
3 that conversation in which Senator Smith
4 advised you that he would not be part of the
5 process?

6 A. It was sometime during the selection
Page 12

7 process. I don't know the exact time.

8 Q. well, if the solicitation went out
9 April 16, 2009 and the responses from the
10 respective bidders was due May 8, 2009, does
11 that assist you in any way in terms of placing
12 the time fame on that conversation with
13 Senator Smith?

14 A. No, it doesn't.

15 Q. well, if the Governor announced on
16 January 29, 2010, does the conversation seem
17 close to that date?

18 A. No.

19 I know it was during the time, that
20 period of time, which was a very tumultuous
21 period for the Senate, and I'm not clear of
22 exactly when.

23 It was part of many conversations we
24 had on various topics.

25 EXAMINATION

♀

15

1 Eric Adams

2 BY MR. FOGLIA:

3 Q. Did he indicate to you who would be
4 making that decision ultimately?

5 A. No.

6 I later had a conversation with
7 Senator Sampson, who indicated after the coup
8 that he was going to do the day-to-day
9 operations in the Senate.

10 Q. That would include the process by
11 which the decision would be made as to who the
12 VLT operator at Aqueduct Raceway would be?

13 A. Yes.

14 Q. The coup that you are talking about
15 is the --

16 A. I used the term "coup." I'm sorry
17 about that.

18 Q. The turmoil that occurred at some
19 time, I guess it was in June of 2009, with
20 respect to the leadership of the senate?

21 A. Yes.

22 It was sometime in June. I don't
23 know the exact date, but I know it was in
24 June.

25 Q. Prior to this turmoil, whatever the

♀

16

1 Eric Adams
2 term of art would be, Senator Smith was the
3 Majority Leader and the President Pro Tem of
4 the Senate?

5 A. Yes.

6 Q. And after the turmoil, was there
7 some other designation in leadership?

8 A. Yes.

9 Q. And what was it, if you recall?

10 A. Senator Sampson became what was
11 classified as the conference leader.

12 It was not a Constitutional title.

13 It was created by the members of the
14 conference.

15 Q. It had not existed before?

16 A. No, it did not.

17 Senator Espada became the Majority
18 Leader.

19 And Senator Smith remained the
20 President Pro Tem at that period of time.

21 Q. Is that basically the leadership
22 structure that exists today as well?

23 A. Yes.

24 Q. After the change in leadership where
25 these three new parties or two new parties

♀

17

1 Eric Adams

2 along with Senator Smith emerged, did your
3 role with respect to this licensing process
4 change at all?

5 A. No.

6 Q. What exactly did you do with respect
7 to this VLT process?

8 A. It was my job, during the selection
9 process, to sort of departmentalize the role
10 within my office as committee chair and to
11 gather information from my counsel, look at
12 the information, and see who I can state as
13 the committee chair as someone who is capable
14 of doing the job.

15 Q. Who was your counsel?

16 A. Brad Fischer.
17 Q. Did he provide you with information?
18 A. Yes, he did.
19 Q. How did he provide it to you?
20 A. Verbally, and he gave me copies
21 of communications he received from Chris
22 Higgins.
23 Q. There were a number of meetings at
24 the capitol concerning this process in, I
25 guess, the summer of 2009.

♀

18

1 Eric Adams
2 Did you participate in any of those
3 meetings personally?
4 A. Yes.
5 Throughout the selection process, as
6 you indicated, there were several meetings.
7 Some of them I would participate in and some
8 Brad Fischer would do as well.
9 Q. Do you remember the meetings that
10 you participated in?
11 A. Not really, not verbatim. Some of
12 them stand out, but they meshed together.
13 Q. Do you recall in the summer of 2009
14 attending a meeting where the Lottery Division
15 made a presentation?
16 A. No, no.
17 Q. You were not at any meetings that
18 Gordon Medenica or Bill Murray made

19 presentations to a larger group?

20 A. No, I don't recall any of those
21 meetings.

22 Q. Do you recall receiving information
23 from Mr. Fischer about meetings where the
24 Lottery director and his staff made
25 presentations to the group?

♀

19

1 Eric Adams

2 A. I recall having a conversation that
3 he attended a large meeting with Lottery
4 officials and other, I believe, midlevel
5 individuals.

6 He just gave me a verbal overview.

7 Q. And what did he tell you?

8 A. That the process is moving forward,
9 that he identified some of the problems that
10 various groups had. MGM problems with I
11 believe it was with [REDACTED].

12 There were some individuals with AEG
13 who were possibly having a problem with being
14 certified by Lottery.

15 I think one or two other groups, but
16 he basically gave me the overview, a
17 preliminary overview.

18 Q. Did he ever provide you with any
19 memorandum?

20 A. Just throughout the process he would
21 give me memos that came from Chris Higgins

22 about those meetings that took place.

23 Q. Did he ever report to you concerning
24 a chart that the Lottery Division had
25 developed that rated or scored the various

♀

20

1 Eric Adams

2 bidders?

3 A. No.

4 Q. Do you recall who the bidders were?

5 A. Yes.

6 Q. To the best of your recollection?

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 Q. Do you remember who the bidders
13 were?

14 A. Yes.

15 Q. To your recollection, who were they?

16 A. In alphabetical order?

17 Q. That's impressive if you can do
18 that.

19 A. AEG.

20 Q. Right.

21 A. Delaware North, Don Peebles,
22 SL Green, Steve Wynn, and I probably got Penn
23 National out of alphabetical order.

24 Q. Do you recall him indicating at all

25 that the Lottery Division had licensing

♀

21

1 Eric Adams

2 problems with any of the groups?

3 A. I don't recall him using that term.

4 He indicated that some of the
5 individuals who were part of the group,
6 Lottery identified that there may be problems,
7 they have problems with them, and before they
8 can move forward they had to fix those
9 problems.

10 Q. Am I right with respect to the
11 process and whoever would be selected as a
12 franchisee, that if they couldn't be licensed
13 by the Lottery Division they couldn't operate
14 a facility?

15 A. My understanding, that's correct.

16 Q. So that was the first hurdle that
17 had to be overcome by any of the bidders, that
18 being the ability to receive a license from
19 Lottery?

20 A. From my understanding, yes.

21 Q. With respect to AEG, do you remember
22 or recall whether or not you received any
23 information that there was a problem with
24 certain individuals that were part of the
25 group?

♀

1 Eric Adams
2 A. Yes.
3 Q. Who do you recall, if anybody, was a
4 problem?
5 A. I don't recall the names.
6 I believe I just remember that
7 one of the names was from someone from
8 Australia. Other than that, I don't recall
9 the names.
10 Q. [REDACTED], does that ring a
11 bell?
12 A. I believe that was the name.
13 Q. Okay.
14 what did you know or learn about
15 [REDACTED]?
16 A. That he was subsequently removed
17 from the team.
18 That was the extent of what I've
19 learned.
20 Q. Were you told that he was also part
21 of a prior bid in the process that I described
22 as Phase 1?
23 A. I don't recall that.
24 Q. Did you have any conversations with
25 Senator Smith regarding this process?

♀

2 A. Only one I recall and that was when
3 I told him that I liked Steve Wynn and Steve
4 Wynn I thought was the best choice.

5 Q. Did he have any reply to that?

6 A. He said go with the best choice.

7 Q. Did he indicate that he had a
8 preference?

9 A. No, not at all.

10 Q. Did you have conversations with
11 Senator Sampson?

12 A. Yes.

13 Q. Concerning the process. And when
14 was the first discussion you remember having
15 with Senator Sampson?

16 A. During the selection process we
17 had many conversations. After I would say
18 starting in July, after things calmed down,
19 probably early August, we had several
20 conversations throughout the selection
21 process, and it basically was finding out
22 from him what were his criterias, what
23 he wanted me to look at to make a
24 determination.

25 Q. So he had given you some direction

1 Eric Adams
2 that you would be the point person, for lack
3 of a better term, in dealing with this for the
4 Senate?

5 A. Well, again, it was important to
6 me because the process was so chaotic, and
7 each house was basically doing their own
8 little criterias, it was important to me
9 to find out what criteria he wanted me to
10 use.

11 Q. What was the criteria that he gave
12 you?

13 A. It was crucial to him that he wanted
14 the person to -- he was big on jobs, speed to
15 market was important.

16 He was big on MWBE, which was on the
17 top of his list. He felt they could do a
18 better job.

19 He was big on community involvement.

20 And he determined that being the
21 Senator that was in the area it was his belief
22 that we should not do something in another
23 senator's district without having that
24 senator's approval.

25 Q. Who was that Senator?

♀

25

1 Eric Adams

2 A. Senator Addabbo.

3 Q. Was he involved in the process with
4 you?

5 A. When you say "involved," --

6 Q. Participated in meetings or do any
7 analysis of the bidders?

8 A. He did not sit in on any meetings.
9 I can't recall him sitting in on any meetings
10 with me, but the bidders did meet with him and
11 speak with him and communicated with him, and
12 I communicated with him throughout the
13 selection process as well.

14 Q. Did Senator Sampson ever indicate
15 that he had a preference?

16 A. I don't recall him doing that.

17 Q. Did you ever become aware of why
18 Senator Smith had distanced himself from the
19 process?

20 A. I later discovered when I read it in
21 the papers.

22 Q. And what was that?

23 A. That Reverend Flake was one of the
24 minor bidders, I mean one of the minor
25 investors in the process.

♀

26

Eric Adams

1 Q. Of which one?

2 A. AEG.

3 Q. Do you know Reverend Flake?

4 A. Yes, I do.

5 Q. How do you know Reverend Flake?

6 A. As a pastor, one of the large
7 pastors in the African American community.

8 Q. Do you have any direct dealings with
9 him on any community issues or any business of
10

11 any nature?

12 A. Not at all.

13 Q. Reverend Flake is involved in
14 housing and some other ventures, I believe; is
15 that correct?

16 A. I'm not clear.

17 Q. Okay.

18 A. I know he has a large church in
19 Queens.

20 Q. Have you ever attended the church?

21 A. Yes, in 2000 and -- I'm sorry -- in
22 1985 while I was a police officer.

23 Q. A while ago.

24 A. Yes.

25 Q. I am going to ask you to take a

♀

27

1 Eric Adams

2 look at some memoranda that I have, and ask
3 you if you recognize them or have seen them.

4 A. Yes.

5 Q. This is a New York State memorandum,
6 Office of Majority Counsel. It's from Chris
7 Higgins and Jim Watson to Angelo Aponte and
8 Shelley Mayer.

9 And I ask you if you have ever seen
10 this (handing)?.

11 (Witness perusing document.)

12 A. No, I don't recall if I have ever
13 seen this.

14 MR. FOGLIA: I don't think I
15 mentioned it is dated May 12, 2009.

16 A. I don't recall seeing this.

17 And throughout the process my
18 interactions was with my staff. My
19 interactions was not with Chris Higgins. It
20 was with my staff.

21 Q. That being --

22 A. Brad Fischer.

23 Q. Anyone else on your staff?

24 A. It was primarily with Brad Fischer.

25 EXAMINATION

♀

28

1 Eric Adams

2 BY MS. HOCHHEISER:

3 Q. Senator, you mentioned a few minutes
4 ago you received information from Brad Fischer
5 and specifically memoranda prepared by Chris
6 Higgins; and this memorandum was prepared by
7 Chris Higgins; correct?

8 A. According to the date, yes.

9 Q. But you don't recall seeing this?

10 A. No.

11 During that period of time, my role
12 as the Senator, I had just became the chair of
13 two committees. I was overwhelmed at the
14 least.

15 Brad understood to give me as little
16 as possible so I could make an intelligent

17 decision. I couldn't read through all the
18 minutiae that I was given.

19 MR. SMALLS: You are saying with
20 respect to that May document?

21 THE WITNESS: Yes, that document
22 there, yes.

23 EXAMINATION

24 BY MR. FOGLIA:

25 Q. This is a document that's dated

♀

29

1 Eric Adams
2 August 4, 2009. It's from Chris Higgins to
3 Shelly, which I am assuming is Shelley Mayer
4 but I could be wrong (handing).

5 (Witness perusing document.)

6 A. I don't recall ever seeing this
7 document before.

8 And if I may state, Chris Higgins
9 e-mailed me. I probably was on his cc list,
10 and actual reading the documents was something
11 that I just didn't have time to do.

12 Q. This is a memo dated February 4,
13 2010, to Senator Sampson from Chris Higgins.

14 It includes a prior analysis that's
15 undated, that you may have seen or may not
16 have, but I would ask you to look through the
17 entire document and see if you recognize any
18 of the documents that are attached to it as
19 well (handing).

Adams 5-13-10
20 (Witness perusing document.)
21 MR. FOGLIA: If you need time to
22 step outside, that's fine, too.
23 MR. SMALLS: No, that's all right.
24 A. This here is familiar to me.
25 This, I don't recall this part of

♀

30

1 Eric Adams
2 it, but this is --
3 Q. Can you just identify it for the
4 record, please?
5 A. Yeah. The grid sort of document,
6 there's something I am familiar with.
7 The document that has, you know that
8 is probably in a memo form, I rarely received
9 or read these during the selection process
10 because it was just too wordy.
11 I would look at this style here. I
12 recall seeing this formatted style, and this
13 is what I used throughout the process.
14 This was just too much. This other
15 document that was in a memo format was just
16 too much for me to read.
17 I needed a quick bite to make the
18 determination.
19 Q. What you described as the grid, do
20 you recall if that was provided to you by
21 Mr. Fischer?
22 A. Yes.

23 Q. And did you get a chance to review
24 it?
25 A. Yes.

♀

31

1 Eric Adams
2 Q. Did it purport to be an analysis, if
3 I may, with respect to the various bidders?
4 A. Yes, it did.
5 Q. Just hold that for a second.
6 I am going to ask you to take a look
7 at two charts. They are similar but not
8 exactly the same; and I ask you if you have
9 seen either one of them?
10 The first chart I will show you is
11 marked "Aqueduct Bid Process Confidential
12 Evaluation Criteria," and it's undated
13 (handing).
14 I ask you to take a look at
15 that and indicate if you have ever seen that
16 chart.
17 A. I didn't see this during the
18 selection process. I saw this in The New York
19 Times when it came out.
20 Q. While the process was going on you
21 didn't see that?
22 A. No, not at all.
23 Q. Just so we have a complete record,
24 this is a similar chart but different in some
25 respects; and I ask you if you have seen this

♀

1 Eric Adams

2 chart during the selection process?

3 A. No, I did not see this chart during
4 the selection process.

5 MR. FOGLIA: This was also marked
6 Confidential, Aqueduct Bid Process,
7 Evaluation Criteria.

8 The difference between the first
9 chart and the second chart is just one of
10 the evaluation criteria.

11 The second chart having leadership
12 management, which was not on the first
13 chart.

14 Q. Were you aware in September of 2009
15 that a memo was prepared by the executive side
16 of the equation for the Governor?

17 A. No, I was not.

18 Q. Do you know if Brad Fischer
19 indicated at any point that he had seen a memo
20 that was prepared for the Governor?

21 A. I don't recall a conversation like
22 that.

23 Q. During the selection process, did
24 you meet with any of the bidders?

25 A. Yes.

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Eric Adams

Q. And which ones did you meet with?

A. SL Green, bidders and lobbyists,
Don Peebles, AEG, Penn National, Delaware
North, in essence I believe I met with all of
them.

Q. The one you didn't mention so far
was Wynn.

A. Steve Wynn. Sorry.

Q. You met with all of them?

A. Yes.

Q. Did you meet with principals or
lobbyists?

A. A combination.

I didn't know -- it was difficult
to tell who was the principal, they were
moving so much. But I know I met with Steve
Wynn.

I met with Don Peebles, who was a
principal.

And I wasn't sure of who was the
principal for Delaware North.

I wasn't extremely clear of who was
the principal for AEG as well.

Q. What was the nature of those

♀

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3

Eric Adams

meetings?

Let's talk about with the principals

4 that you knew about.

5 A. Their goal was to explain why they
6 had the best vision for the project.

7 Q. And they made formal presentations
8 to you?

9 A. A combination of a formal
10 presentation, and then a followup
11 conversation.

12 Q. Just for the record, your office
13 provided to us your appointment schedule
14 during the relevant period, and I am going to
15 ask you about that in a little while. So I
16 will probably take you through some of the
17 different meetings that you had.

18 A. Understood.

19 Q. Did you receive any contributions
20 from any -- political contributions, that
21 is -- from any of the principals or their
22 employers, employees, rather, or their
23 consultants?

24 A. Yes.

25 Q. Do you know which ones?

♀

1 Eric Adams

2 A. Not offhand.

3 I know from several different of the
4 bidders and some of the lobbyists.

5 MR. FOGLIA: Do you know if as part
6 of our request for production, whether or

7 not the Senator provided a list of
8 campaign contributions?

9 MR. SMALLS: One was provided to you
10 and it was compiled I believe by Jay
11 Watson and his aide, all of the relevant
12 contributions.

13 MR. FOGLIA: Off the record.

14 (Whereupon, a discussion was held
15 off the record.)

16 MR. FOGLIA: We are back on the
17 record.

18 EXAMINATION

19 BY MR. FOGLIA:

20 Q. As you indicated, you also had some
21 contact with various lobbyists for the
22 bidders; correct?

23 A. Throughout the selection process,
24 several of the lobbyists would stop in and
25 speak with me.

♀

36

1 Eric Adams

2 Q. In person?

3 A. In person.

4 Q. By phone as well?

5 A. Yes.

6 Q. As part of the information that the
7 staff provided you from the meetings they went
8 to after the bid submissions had been
9 submitted in May of 2009, did you ever see a

10 comparison of the dollar amounts that would
11 accrue to the state over time from the various
12 bidders?

13 A. Explain that to me again.

14 Q. Yes.

15 All of the bidders put in bids with
16 numbers attached to them, and there was a
17 present value that was determined for the
18 value of the bid vis-a-vis the state's
19 participation, in other words, the money that
20 they would be getting, and an analysis was
21 done by the Bureau Of The Budget, and I was
22 wondering if you had seen that?

23 A. I don't recall seeing that document.

24 Q. Did Brad Fischer ever report that to
25 you verbally?

♀

37

1 Eric Adams

2 A. I don't recall that conversation.

3 Q. So with respect to the six bids
4 that were submitted, you were unaware of what
5 the value of those bids would be for the
6 state?

7 A. I need for you to help me with that,
8 when you say the "value" of the bids.

9 Q. That's a good point. We will break
10 it down.

11 As part of the bid there were up
12 front payments to be made to the State and

13 each of the bidders had submitted what they
14 would give the State upfront for the right to
15 run these VLTS.

16 MS. HOCHHEISER: And in fact, that
17 is delineated on this chart.

18 THE WITNESS: Right.

19 A. So we are talking about the upfront
20 money.

21 Q. That's one part of it.

22 First I am asking, did you see that?

23 A. Yes, I saw.

24 I was aware, based on my
25 conversation with Brad, throughout the process

♀

38

1 Eric Adams
2 those numbers changed based on the Governor's
3 determination and Brad would update me on what
4 is the upfront money.

5 Q. So you were aware of what the
6 upfront money was?

7 A. Yes.

8 Q. There was a second analysis done of
9 what the present value over the course of the
10 franchise would be in terms of value to the
11 State; in other words, how much would be
12 brought in by each of the bidders.

13 A. I don't recall that, and that went
14 beyond my food chain, for lack of a better
15 phrase, of my concern. It was for someone

16 else to concern themselves with.

17 Q. So from your perspective, that
18 wasn't one of the things that you were
19 analyzing or looking at?

20 A. No.

21 Q. Did you or did you authorize any of
22 the staff, your staff, just Brad Fischer I
23 guess at this point, to release any of the
24 information that was provided in the Senate
25 memorandum to any of the bidders?

♀

39

1 Eric Adams

2 A. I had a strong policy throughout the
3 selection process that my staff would not
4 release any documents. They adhered to that.
5 I adhered to that.

6 No documents were released
7 throughout that selection process by my
8 staff or by myself. That was my strong
9 policy.

10 Q. Did you permit your staff to attend
11 meetings and/or phone calls from lobbyists who
12 were involved in the process?

13 A. Yes.

14 Q. And that was specifically Brad
15 Fischer?

16 A. Yes.

17 Q. During this process, did you have
18 any discussions with anyone on the executive

19 staff?

20 A. Yes.

21 Q. Who was involved in the process?

22 A. Yes.

23 Q. Who were they?

24 A. The Governor from time to time, we

25 would talk about it.

♀

40

1 Eric Adams

2 From time to time I would speak with
3 DJ who was not in an official capacity, but in
4 passing I would shout about it.

5 Q. That's Mr. Johnson?

6 A. Yes.

7 Q. Anyone else?

8 A. I believe -- I think those were the
9 only two I recall.

10 Q. Your discussions with the Governor,
11 when do you recall first talking to the
12 Governor about the Aqueduct process?

13 A. I don't recall the exact date.

14 Q. Was it after the bids had been
15 submitted and were being analyzed?

16 A. Yes.

17 Q. Did you indicate to him that you had
18 a preference at any point in your discussions
19 with him?

20 A. Yes.

21 Q. And what was that preference and

22 when did you inform the Governor of it?

23 A. It was during the latter part of
24 the year, probably around November-December,
25 sometime around then, after my first

♀

41

1 Eric Adams

2 preference was gone, I told him my next
3 preference was AEG.

4 Q. What was your first preference?

5 A. Without a doubt, Steve Wynn. This
6 guy is unbelievable. Steve Wynn, Steve Wynn
7 was it.

8 Q. Other than him just being the guy,
9 what about his submission did you like and the
10 reason why you had him as a preference?

11 A. It was a destination. We were in a
12 tough position. The industry is dying. Steve
13 Wynn was going to bring the industry back. He
14 had a vision to turn the location to a
15 destination.

16 He touched on two of the three
17 important issues for Senator Sampson.

18 He had an unbelievable MWB program
19 that was innovative.

20 Second, speed to market was slow
21 because he was going to turn it into a
22 destination.

23 And he was loved by the community.
24 Addabbo and I spoke about him and we were on

25 the same page.

♀

42

1 Eric Adams

2 Q. And he dropped out at some point?

3 A. Which was to our extreme
4 disappointment.

5 Q. Do you know why he dropped out?

6 A. I don't know. It was never
7 articulated to me.

8 Q. Did you ever get a chance to inform
9 the Governor that Wynn was your choice or your
10 preference?

11 A. I'm not sure, not sure.

12 Q. Subsequent to Mr. Wynn dropping out,
13 you had another preference?

14 A. Yes.

15 Q. And who was that?

16 A. AEG.

17 Q. And what was that based upon?

18 A. The same thing.

19 They had the best speed to market.

20 They were going to do 3200 machines
21 in seven months and two weeks.

22 They were going to do 1200 in six
23 months.

24 They had a good MWB program and they
25 too -- they were liked by Senator Addabbo.

♀

1 Eric Adams

2 Q. Were you aware at that time that
3 Lottery continued to have a licensing issue
4 with AEG?

5 A. Actually, I received a notification
6 in November on one of these documents that I
7 read that Lottery cleared up all of their
8 issues with AEG.

9 If I can further articulate.

10 Q. Sure.

11 A. It was my understanding, because
12 this was new to me, this type of process, it
13 was my understanding that when Lottery has an
14 issue with people who are not licensable, the
15 vendor has an opportunity to rectify the
16 problem. If they can't rectify the problem,
17 then they can't be licensed and they can't be
18 chosen.

19 Q. And as far as you are aware,
20 [REDACTED] was a problem?

21 A. I'm not a hundred percent sure if he
22 was. I know that was a name that I heard.

23 Q. Were there any other names that you
24 were aware of who became problematic for AEG?

25 A. I'm not -- I'm not a hundred percent

♀

1 Eric Adams

2 sure of the names. I know there were names,
3 but, again, this was a very chaotic period and
4 I just don't recall all the names that were
5 hurled around.

6 Q. At various times during the process,
7 there were what is called leaders meetings,
8 meaning Senator Sampson, Speaker Silver and
9 the Governor, and there were a number during
10 the fall of 2009.

11 Were you aware those meetings were
12 taking place?

13 A. Yes.

14 Q. After the meetings took place, did
15 Senator Sampson either brief you, or the
16 Senate caucus or however the Senate works -- I
17 am unfamiliar with that -- as to what occurred
18 at those meetings?

19 A. As hard as it may seem, I didn't
20 have any vision of my importance because I
21 didn't have great importance.

22 This process was extremely
23 departmentalized. Brad had his role. I had
24 my role.

25 After one of the first meetings, to

♀

45

1 Eric Adams
2 my knowledge, of Senator Sampson meeting with
3 the Governor and the Speaker -- and I told him
4 the three people that I thought fit his

5 description -- the game was over for me.

6 There was no reason to come back
7 because he wanted, just in case if one failed,
8 he could go to the next and so on and so
9 forth. That was it for me.

10 If he wanted my three or one of the
11 three, fine. If he didn't, fine as well. I
12 was out of the game.

13 Q. You mentioned three, now. You
14 mentioned two before.

15 Who was the third?

16 A. No. When I said, when I was telling
17 you there was the first person, the second
18 person, and you never asked me about the third
19 person.

20 Q. Right.

21 A. The third person was, to my great
22 reluctance, was SL Green, and I had a great
23 reluctance about doing them. I was troubled
24 over that.

25 Q. Why were you troubled?

♀

46

1 Eric Adams

2 A. Because SL Green, we will use the
3 term problematic. Problematic was identical
4 to this process.

5 SL Green, not one of their minor
6 partners, but one of their direct partners was
7 Hard Rock Cafe.

8 Q. Right.

9 A. Hard Rock Cafe is owned by the
10 Seminole Indians. They are in direct
11 violation of Florida's law by awarding
12 VLTs, and with their VLT award they are doing
13 table games.

14 That's the same thing they are doing
15 here. We are going to award them VLTs and
16 they do table games here, and I put them down
17 for approval knowing the Federal Legislature
18 is calling for an investigation about them
19 doing table games. I felt bad about that.

20 Q. Understood.

21 Did Senator Sampson ever indicate to
22 you whether or not the Assembly had
23 preferences?

24 A. I had no idea. I didn't know the
25 process in the Assembly. I didn't know if MWB

♀

47

1 Eric Adams

2 was important to the Assembly.

3 That was part of this chaotic
4 process. No one knew what the standard was.
5 You had to be able to meet the minimum
6 standard.

7 Q. It seemed to be, from people looking
8 outside in, after months since September 2009,
9 after the primary analysis had been done by
10 the executive branch agencies, that there was

11 some type of delay for a number of months
12 before a decision was made, the ultimate
13 decision being made on January 29th.

14 Are you aware of there being any
15 sticking point between the three or among the
16 three leaders?

17 A. During that time period?

18 Q. Yes.

19 A. I traveled throughout the state
20 to horse farms, to other racing entities, and
21 I also went outside of the city.

22 The industry was dying. I kept
23 asking, let's pick a vendor. I don't know
24 what is slowing up the process. After the
25 29th, again, I was out of the game.

♀

48

1 Eric Adams

2 Q. After the 29th of what month?

3 A. Of October.

4 Q. Did you have any discussions with
5 Gordon Medenica at all during the process?

6 A. Yes, I did, but I don't recall it
7 being about the VLTs.

8 I met with him in the office one
9 day. I believe it was on another topic. I
10 don't recall what the topic was.

11 Q. Or Bill Murray or anyone else at the
12 Division of Lottery?

13 A. I don't recall.

14 I had a meeting with Gordon
15 Medenica, but I don't recall who he brought
16 with him and I don't remember the exact
17 conversation.

18 I think it was some other issues we
19 were dealing with. I don't recall.

20 Q. It had nothing to do with VLTs?

21 A. I don't recall if it was.

22 Q. I am going to focus your attention
23 on September 2009.

24 I think you had what was called
25 the First Annual Senators Ball during that

♀

49

1 Eric Adams

2 month?

3 A. I don't recall if it was. If it
4 was, there are just so many events.

5 Q. I want to ask you if you remember
6 having discussions with Carl Andrews
7 concerning AEG's submission.

8 A. September?

9 Q. Let's start with any time.

10 Do you recall having interaction
11 with Mr. Andrews?

12 A. Yes.

13 Q. What was the nature of that
14 interaction?

15 A. As with all lobbyists, they were
16 attempting to state that their team was the

17 best team.

18 Q. Did Mr. Andrews set up any meetings
19 for you with any of the principals of AEG?

20 A. Yes.

21 Q. What meetings were those?

22 A. I don't remember the exact one. I
23 need a better definition when you say
24 "meetings."

25 Q. Did you meet with any of the

♀

50

1 Eric Adams
2 principals of AEG?

3 I will give you some names, and
4 there may be others as well.

5 Judge Mays was ostensibly the
6 chairman. Do you know who he is?

7 A. Yes.

8 Q. Did you meet with him?

9 A. Yes.

10 Q. Do you recall when that occurred?

11 A. No, I don't.

12 Q. And that meeting was set up by
13 Mr. Andrews?

14 A. Yes.

15 Q. Was there more than one meeting with
16 Judge Mays?

17 A. I believe so.

18 Q. How many meetings did you have with
19 him?

20 A. I don't know. I don't know the
21 exact amount.

22 Q. More than two?

23 A. Again, I don't know the exact
24 amount.

25 Q. But it was more than one meeting?

♀

51

1 Eric Adams

2 A. Yes.

3 Q. Do you remember meeting anybody else
4 from AEG?

5 A. Yes.

6 Q. Were they at the meetings you had
7 with Judge Mays or different meetings?

8 A. At different times I met with
9 different people from AEG, lobbyists, or they
10 could have been principals.

11 I really didn't target to say are
12 you a principal, are you a lobbyist. It was
13 really a blur for me.

14 Q. Do you recall if Judge Mays or any
15 of the people you identified as being
16 associated with AEG attended your First Annual
17 Senators Ball?

18 A. I'm not sure who was there. It's
19 possible, but I'm not sure.

20 Q. What was the First Annual Senators
21 Ball?

22 A. It was just a name that they were

23 using. I hated the name. It was just a
24 fundraiser and got elaborate.

25 Q. It was at the Havana Room?

♀

52

1 Eric Adams

2 A. Yes.

3 Q. Do you recall if Reverend Sharpton
4 was at that meeting or at that fundraiser?

5 A. No. If he attended, he sure didn't
6 leave a check. He frequents the Havana Club.
7 So it's possible he could have been at the
8 Havana Club, but I don't recall.

9 Q. Do you recall Andrews suggesting
10 that you have a meeting with Reverend Sharpton
11 along with the Judge, Senator Sampson and
12 Governor Paterson?

13 A. I don't recall that conversation.

14 Q. Did a meeting like that ever take
15 place where you met with -- concerning AEG --
16 with Reverend Sharpton?

17 A. No.

18 Q. You didn't meet in conjunction with
19 someone from AEG, Carl Andrews or anyone else,
20 with Senator Sampson or the Governor?

21 A. I don't recall.

22 I'm sorry.

23 Now, you have to help me with that.

24 Q. Sure.

25 A. Because I don't want to misquote.

♀

1 Eric Adams
2 One night on 57th Street the
3 Governor was at a restaurant when I stopped by
4 and Senator Sampson was there and I believe
5 someone was there from AEG.
6 I just said hello to them and I
7 moved on. So I don't know if that's
8 considered a meeting.
9 Q. In other words, they were having
10 dinner?
11 A. Right.
12 Q. Or having a discussion?
13 A. They were chatting. I don't know
14 if people were meeting there, if they met
15 there, but I believe they identified the
16 person. They stated they were with AEG, and I
17 said hello and kept on going.
18 Q. Do you remember when that was?
19 A. It was recently. I don't know the
20 exact date.
21 MR. SMALLS: By kept moving, you
22 mean you left?
23 THE WITNESS: I went to another part
24 of the restaurant.
25 Q. When you say recent; 2010?

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Eric Adams

A. Yes.

EXAMINATION

BY MS. PETERS:

Q. Do you remember what restaurant?

A. I don't remember the name of it.

EXAMINATION

BY MR. FOGLIA:

Q. Were you aware of whether or not Reverend Sharpton had any involvement with AEG?

A. Not of my understanding.

He was not listed as one of the investors on the quick look of the investors. His name would have jumped out at me.

Q. Not so much as an investor, but was he a consultant or a lobbyist for AEG?

A. Not of my understanding.

Q. So he never contacted you about AEG?

A. I don't remember receiving a call from him about AEG.

He did contact me that Johnson was trying to reach me, Johnson from SL Green was trying to reach me.

EXAMINATION

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Eric Adams

BY MS. HOCHHEISER:

Q. That's Robert Johnson?
Page 49

4 A. Robert Johnson.

5 Q. Who is head of Black Entertainment
6 Network?

7 A. I don't know if he's still got it.
8 He sold it.

9 Q. He began it?

10 A. Yes.

11 Q. Did you ever speak to Mr. Johnson?

12 A. Yes.

13 Q. What did he say to you?

14 A. That he had -- that he had the
15 best -- SL Green was the best.

16 Everybody had the same speech.

17 EXAMINATION

18 BY MR. FOGLIA:

19 Q. Everyone had the best, right?

20 A. Right.

21 Q. Focus your attention on August of
22 2009. It's a while ago but I ask you to think
23 about this.

24 Who is David Evan Marcus?

25 A. David Evan Marcus? The name rings a

♀

56

1 Eric Adams

2 bell. I'm not sure.

3 I'm bad on names. I'm good on faces
4 but I'm bad on names.

5 Q. Is he an employee of the Senate?

6 A. Yes. He's counsel for senator -- he

7 just became a counsel for Senator Sampson.

8 Q. And, again, this is difficult for me
9 to ask you a direct question about because you
10 are not necessarily involved other than what
11 you mentioned.

12 This is an e-mail from David Evan
13 Marcus to Shelley Mayer.

14 It says, "Senator Sampson asked me a
15 question beyond the scope of today's meeting
16 with SL Green, and after I answered it he
17 asked me to speak with Senator Adams about
18 Aqueduct generally."

19 Do you recall having a conversation
20 with Mr. Marcus about Aqueduct generally?

21 A. No.

22 When is that dated?

23 Q. August 19, 2009.

24 A. No, not at all.

25 Q. On that same date, August 19, 2009,

♀

57

1 Eric Adams
2 there is an e-mail from Mr. Marcus to Chris
3 Higgins, and it states, "Meanwhile, do you
4 want me to call Adams," I assume they are
5 talking about you, "and say Sampson asked that
6 we rope him in on the meeting today and
7 specifically compare AEG to SL Green."

8 A. I don't recall that at all.

9 I knew my staff. I dealt with my

10 staff.

11 Q. Do you recall ever seeing a
12 comparison between AEG and SL Green?

13 A. No more than this sheet here.

14 Q. Just that sheet that you indicated?

15 A. This is the only sheet that I recall
16 seeing in the selection process of the
17 comparison.

18 Q. I am going to show you a document
19 that I believe was prepared by Senate staff
20 and ask you if you have ever seen it.

21 It's marked "Estimated Annual
22 Payment For Education (millions of dollars)."

23 (Witness perusing document.)

24 A. I don't know where this came from.
25 This was never given to me.

♀

58

1 Eric Adams

2 Q. In fact, I may have misspoken. It
3 may be from the Bureau Of The Budget.

4 A. I'm not aware of it.

5 Q. You have not seen this?

6 A. No.

7 Q. I would ask you to take a look at
8 the final three pages. There are some charts,
9 and I just ask you if you have ever seen that
10 (handing)?

11 (Witness perusing documents.)

12 Q. Not necessarily in that form but

13 in any other form that had the same
14 information.

15 A. I don't recall seeing this type of
16 information, but it would not have factored
17 into my thought process.

18 This is something that was outside
19 my pay scale.

20 Q. In other words, the fiscal and
21 budget implications?

22 A. Right, right.

23 My orders were very clear on those
24 three items that he was looking for. Anything
25 other than that was outside my pay scale.

♀

59

1 Eric Adams

2 Q. I am looking at, and I will show you
3 in a second, an e-mail, actually a g-mail, of
4 November 23, 2009 from Erin Waterhouse to
5 Fischer, B, which I assume is Brad Fischer.

6 It says, "Hey, Brad, below is an
7 article from The New York Times that came out
8 this afternoon. Senator Adams is quoted as
9 saying, 'We're looking at both SL Green and
10 AEG and it's a toss-up between the two of
11 them, and probably within the next day or two
12 we'll know 100 percent where we are.'" .

13 Now, knowing that newspapers don't
14 accurately quote people, I will show this to
15 you and ask you if you recall making that

16 statement (handing).

17 (Witness perusing document.)

18 It's highlighted.

19 A. I don't know 100 percent, but that's
20 where my head was at the time in November
21 2009.

22 Q. Was there ever a time that Senator
23 Smith formed an ad hoc committee of yourself,
24 Senator Sampson, Senator Addabbo, and Senator
25 Johnson, to make a recommendation to him with

♀

60

1 Eric Adams

2 respect to this process?

3 A. I am not aware of that at all.

4 Q. In July of 2009, do you recall
5 having a meeting at 250 Broadway with Senator
6 Sampson and various members of the AEG team?

7 A. I think the meeting was called but
8 Senator Sampson wasn't able to make it, and I
9 sat down and saw a presentation.

10 Q. Do you remember who made the
11 presentation?

12 A. No, I don't.

13 Q. But again it was the general nature
14 of we have the best program?

15 A. Exactly.

16 Q. Again I am reading from an e-mail
17 and I just want to ask you whether or not this
18 has any validity or actually came to fruition.

19 This is an e-mail from someone named
20 Rick Stevens.

21 Do you know who that is?

22 A. I don't recall.

23 Q. To a man by the name of Michael
24 Wagman.

25 Do you know that name?

♀

61

1 Eric Adams

2 A. I don't recall.

3 Q. It says, "Last evening with Senator
4 Adams, Carl Andrews discussed having a weekend
5 meeting with Sharpton, the Judge, Sampson and
6 the Governor. Joe confirmed there will be a
7 barbecue this weekend and it was told this
8 morning by the group above."

9 A. What was the date of that?

10 Q. September 4, 2009.

11 A. The meeting never took place.

12 That's their correspondence. I am not aware
13 of it at all.

14 Q. Was there ever a discussion of
15 having such a meeting?

16 A. I don't recall a meeting like that.

17 Q. Or a discussion with Mr. Andrews?

18 A. I don't recall ever having a
19 discussion like that.

20 Q. Fair enough.

21 I am going to ask you about some

22 of the information that was supplied to our
23 office concerning your schedule during the
24 relevant time period.

25 This is what was provided. A lot of

♀

62

1 Eric Adams

2 it is blacked out, and appropriately so
3 because it had nothing to do with what we were
4 asking about.

5 I would ask you if you remember
6 anything about the following meetings.

7 There is an indication that you met
8 with Gordon Medenica on May 6th.

9 Is that the meeting that you
10 mentioned a little while ago?

11 A. If it's on my schedule.

12 Q. You can take a look at it if you
13 like.

14 A. If it's on my schedule, that's the
15 date that it took place.

16 You said May 6th?

17 Q. Yes, May 6th. There are notations
18 on the back, as well.

19 A. Yes. It's on the schedule. It may
20 have taken place.

21 Q. That was about the time that bids
22 were being submitted.

23 Is that the conversations you
24 indicated a little while ago?

25 A. I wasn't sure what our conversation

♀

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1 Eric Adams

2 was.

3 Q. But you are not sure?

4 A. I am not sure.

5 Q. It may have?

6 A. I am not sure what the conversation
7 was.

8 Q. On May 20th, and again all the dates
9 I will be asking you about are from your
10 schedule. So feel free to page through it.

11 MR. SMALLS: There are copies on
12 both sides?

13 MR. FOGLIA: Yes.

14 MR. SMALLS: That's how they printed
15 it?

16 MR. FOGLIA: That's the new state
17 regulations. No one wastes paper.

18 MR. SMALLS: Understood.

19 A. May 20.

20 Q. You met with Mr. Featherstonehaugh?
21 I think everybody calls him Mr. Feathers.

22 A. Yes.

23 Q. Do you recall what that was about?

24 A. I don't know. He has many clients.
25 I don't know if it was dealing with Aqueduct

♀

1 Eric Adams
2 or not.
3 Q. This was shortly after the bids had
4 been submitted. The bids came in --
5 MS. HOCHHEISER: May 8th.
6 Q. So this is twelve days later, I
7 guess.
8 You don't recall if you discussed
9 the bid with him?
10 A. He has many clients and throughout
11 the selection process I met with him several
12 times in passing.
13 I really don't know what the meeting
14 is about.
15 EXAMINATION
16 BY MS. HOCHHEISER:
17 Q. Do you know with which group he is
18 affiliated?
19 A. I think SL Green, but I'm not sure.
20 EXAMINATION
21 BY MR. FOGLIA:
22 Q. I would ask you to look at Friday,
23 May 29th.
24 You had a meeting with Mr. Andrews?
25 A. I don't think this meeting took

♀

1 Eric Adams
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2 place. I think it was canceled.

3 Q. Canceled?

4 A. Yes. I believe it was canceled. I
5 am not a hundred percent sure, but I normally
6 hate 10:00 a.m. meetings. I believe that
7 was on a Friday. I believe this was canceled.

8 Q. Mr. Andrews was the lobbyist for
9 AEG; you knew that at the time?

10 A. Yes, as well as he also had many
11 other clients. One of them in particular was
12 Rent-A-Center. So I don't know if that
13 meeting was for Aqueduct or if it was for
14 something else.

15 Q. You want to place some restrictions
16 on those guys; right?

17 A. Yeah.

18 Q. Good idea.

19 There are a couple of dates, May 13,
20 June 17 and June 30, where you met with
21 Patricia Lynch?

22 A. Yes.

23 Q. Did you know that she was a lobbyist
24 for one of the bidders as well?

25 A. Yes.

♀

66

1 Eric Adams

2 Q. Do you recall if any of those
3 meetings concerned the bids?

4 A. I don't know which ones, so I'm not

5 sure.

6 She, too, has a wealth of clients
7 and there are several topics that she has met
8 with me on about Aqueduct, as well as some of
9 her other clients.

10 Q. On July 30th there is a notation
11 that you have -- and you can take a look at it
12 -- in your records about meeting, I believe
13 it says concerning AEG, with Mr. Sampson,
14 Senator Sampson, and Mr. Andrews.

15 Am I correct on that?

16 A. Yes.

17 I believe this is the meeting that
18 you spoke about where I don't think John was
19 able to make this. I think this is when they
20 did a presentation.

21 One of the main lobbyists that set
22 up the meeting, that's the way my staff puts
23 it on my sheet. So if it's with Pat Lynch,
24 they will say Pat Lynch. Carl Andrews, they
25 will say Carl Andrews.

♀

67

1 Eric Adams

2 I don't think Senator Sampson made
3 this meeting at 250 Broadway.

4 Q. If you turn to August 6th, there
5 is an indication of the meeting with Jerry
6 Weiss.

7 A. Yes.

8 Q. Do you know who he is?
9 A. Yes. He was the lobbyist for Steve
10 Wynn.
11 Q. Do you recall what the nature of
12 that meeting was?
13 A. He was telling us that he's the
14 best.
15 MS. HOCHHEISER: Did he mention his
16 watch?
17 Q. Also on August 6th, apparently there
18 is a notation of a conference call regarding
19 Aqueduct.
20 A. August 6th? Yes, I see it.
21 It's actually August 7th.
22 Q. Oh, August 7th?
23 A. Yes.
24 Q. Do you remember that conference
25 call?

♀

68

1 Eric Adams
2 A. No, I don't.
3 Q. Do you know if it was --
4 A. I see a note here, already took
5 place on 8/6. That's why you said August 6th.
6 Q. Yes, probably.
7 A. I don't know what that is.
8 Q. Do you recall if it was a conference
9 call with the leaders?
10 A. I don't know.

11 Q. You don't know. Okay.
12 On August 13th, I believe there were
13 two scheduled meetings that pertained to what
14 we are talking about.
15 One with Jeff Gural.
16 Do you know who that is?
17 A. Yes.
18 Q. Who is that?
19 A. He was a minor investor in SL Green.
20 Q. The purpose of that meeting was to
21 talk about the virtues of SL Green?
22 A. And to talk about OTB and the racing
23 industry. He owns a casino and a racetrack.
24 Q. And again on that date you met with
25 Patricia Lynch?

♀

69

1 Eric Adams
2 A. Yes.
3 Q. Do you know if it was regarding
4 Aqueduct?
5 A. And it says Delaware North Company.
6 They were one of the bidders. At the W Hotel,
7 yes, it was regarding Aqueduct.
8 Q. What was the purpose of the meeting?
9 A. That they are the best.
10 Q. August 22nd, you met with Mr. Wynn?
11 A. Yes.
12 Q. And were there other senators also
13 there?

14 A. Espada didn't make it.
15 Q. He didn't show up?
16 A. No, didn't even call.
17 Q. So he was discourteous too. But
18 Senator Klein and Senator Sampson was there?
19 A. Yes.
20 we were supposed to have dinner at
21 Mr. Wynn's home. He had an emergency back
22 surgery, and we went to meet him in the
23 hospital, where he did a presentation while
24 laying in bed in his boxer shorts.
25 MS. HOCHHEISER: This man deserves

♀

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1 Eric Adams
2 to win. I mean come on.
3 MR. FOGLIA: Going the extra step.
4 Q. On August 24th you met with
5 Mr. Weiss and Brad Fischer?
6 A. Yes; Brad, my counsel, and
7 Mr. Weiss.
8 Q. That was concerning the Aqueduct
9 process?
10 A. Yes, it was.
11 Q. Do you recall that meeting?
12 A. Yes, I do.
13 Q. And what occurred?
14 A. He told us that he was the best.
15 Q. On August 27th there is an
16 indication of another conference call.

17 A. I don't know what was the purpose of
18 that call.

19 Q. But was it about Aqueduct?

20 A. Yes.

21 Q. On August 31st you met with Erin
22 Waterhouse?

23 A. I don't recall this meeting.

24 Q. Do you know who that is?

25 A. I don't recall the name, or Steve

♀

71

1 Eric Adams
2 Snyder.

3 Q. On that same meeting you had a
4 meeting with Neil Quarta?

5 A. Yes, he's from the hotel.

6 Q. Was that regarding Aqueduct?

7 A. I don't know if it was, but it says
8 Aqueduct project. So he could have said that
9 to my staff.

10 Q. You have no recollection of the
11 meeting?

12 A. I don't know if the meeting took
13 place. I am not 100 percent sure.

14 Q. On September 1st there is an
15 indication of meeting with Carl Andrews and
16 client.

17 Do you remember that meeting?

18 A. Yes. This didn't deal with
19 Aqueduct.

20 Q. Did not?
21 A. No, it did not.
22 Q. On September 3rd there is an
23 indication of a meeting with SL Green, I
24 believe.
25 A. Yes.

♀

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Eric Adams

1
2 Q. What was the nature of that meeting?
3 A. They, like AEG, came in to do their
4 bid presentation their plans with the
5 billboards and everything.
6 Q. On September 17th there was a
7 meeting that I think pertained to Aqueduct.
8 A. Which one?
9 Q. Senator Klein and Mr. Rudin?
10 A. Yes.
11 Q. What was the nature of that meeting?
12 A. I didn't, of my recollection, I
13 didn't make this meeting. I had to cancel. I
14 don't believe I was able to get there.
15 Q. And Senator Klein was scheduled to
16 be with you at this meeting?
17 A. Yes.
18 Q. Did he have some participation in
19 the process?
20 A. As the deputy, he's almost a senator
21 at large. He's the deputy leader. He is
22 involved in everything in the Senate.

- 23 Q. He's deputy majority leader?
24 A. Yes, deputy majority leader.
25 Q. Did you ever have any discussions

♀

73

- 1 Eric Adams
2 with senator Klein with respect to any
3 preference for any of the bidders?
4 A. I shared with him how much I liked
5 Steve Wynn.
6 Q. Did he indicate that he had a
7 preference?
8 A. I recall him sharing with me his
9 like for Steve Wynn as well.
10 Q. On September 19th you had a meeting
11 with Bill Lynch. No relation to Patricia
12 Lynch, I assume.
13 A. Yes.
14 Q. What was the purpose of that
15 meeting?
16 A. Bill is my political mentor. I was
17 catching up with him. It wasn't dealing with
18 Aqueduct.
19 Q. It had no dealing with Aqueduct?
20 A. Right.
21 Q. Now we skipped through several
22 months. On January 12th you had a meeting
23 with Brad Fischer and Mr. Nejame?
24 A. Yes.
25 Q. Do you recall the nature of that

♀

1 Eric Adams

2 meeting?

3 A. No.

4 Again, he has several clients and I
5 don't know if it was about the Aqueduct
6 project.

7 Q. Do you know a man by the name of [REDACTED]
8 [REDACTED]?

9 A. The name doesn't ring a bell.

10 Q. The award to AEG was made on January
11 29th of 2010.

12 were you given any advance notice
13 that that award was going to be made?

14 A. Yes.

15 Senator Sampson stated they were
16 going to come down with an announcement.

17 Q. When did he tell you that?

18 A. I don't know the exact date.
19 Probably one or two days prior.

20 Q. Did Senator Sampson indicate to you
21 that there had been a stalemate of sorts
22 between the parties?

23 A. I don't recall that. It was above
24 my food chain, my pay scale.

25 Q. When he gave you this advance

♀

1 Eric Adams
2 notice, did he tell you who was going to be
3 selected?

4 A. No.

5 He told me who he was going to pick
6 from our conference. He did not -- because he
7 was one of three, I don't know if he knew who
8 was going to be the final outcome.

9 Q. When the announcement was made, what
10 was your reaction to it?

11 A. I wasn't neither happy nor sad. My
12 concern was getting the project done.

13 Q. And you issued a statement, I
14 believe, from your office?

15 A. If I did, I don't recall what the
16 statement was.

17 My staff could have done it
18 automatically, but I don't recall what the
19 statement was.

20 Q. It was semi-innocuous,
21 congratulating the parties for getting their
22 bid in and that the process was over. So
23 there was nothing earth shattering.

24 EXAMINATION

25 BY MS. HOCHHEISER:

♀

1 Eric Adams
2 Q. You mentioned a few questions ago
3 that senator Sampson expressed his preference

4 to you, but did he tell you what the other two
5 parties, Speaker Silver or the Governor had
6 chosen?

7 what was Senator Sampson's
8 preference that he expressed to you at that
9 time?

10 A. That he was going to go with AEG.

11 Q. Can you place a timeframe on that
12 conversation?

13 A. No, I cannot.

14 EXAMINATION

15 BY MR. FOGLIA:

16 Q. To your knowledge, were there any
17 political considerations in making the
18 selection of AEG?

19 A. No, no.

20 Q. Just for clarity and to complete the
21 record, you are not aware of how any of the
22 lobbyists came in possession of any Senate
23 memos?

24 A. No. Throughout the process we
25 didn't give them. Senator Sampson didn't

♀

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1 Eric Adams
2 share with me that. I don't know.

3 Q. Is it fair to say if any of the
4 bidders had been given the Senate memos that
5 did comparisons of the various groups and
6 indicated what the bids actually were, that

7 that would be improper?

8 A. It was never really confidential.

9 So I don't want to make an assumption about
10 proper or not proper.

11 Q. When you say it wasn't confidential,
12 the memos that you received were not
13 confidential from the Senate staff?

14 A. It was never specified.

15 I treated my staff one way. I
16 really don't know what took place outside of
17 my office.

18 Q. How did you treat your staff? Did
19 you believe that the memos that were sent to
20 you by your staff were meant for you?

21 A. Yes.

22 Q. And you only?

23 A. Yes. That was my view throughout
24 that process.

25 Q. They were not public documents?

♀

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1 Eric Adams

2 A. It was really undeclared if they
3 were public or not. It wasn't put in whether
4 they were. I really don't want to state. It
5 was just unclear.

6 Again, it was a very chaotic period.

7 Q. Did you consider this process to be
8 a state procurement process?

9 A. I was too young in the Senate. I

10 probably didn't even know how to spell
11 procurement, to be honest with you.

12 I didn't know exactly what a
13 procurement process was. This was new to me.
14 So I couldn't answer that.

15 Q. With the benefit of hindsight, did
16 you see any flaws in the second process where
17 AEG was awarded the franchise?

18 A. I saw flaws from the beginning, with
19 Delaware North as well, and that's what I
20 stated from the outset.

21 I am hoping your report will state
22 that we have to do a better job of doing this.

23 Q. Were you asked to have your
24 committee do any type of investigation with
25 respect to the process?

♀

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1 Eric Adams

2 A. Yes.

3 Q. And what happened?

4 A. Senator Skelos did and my anger
5 turned to, Eric, don't even go down that road.

6 He was part of picking Delaware
7 North. It was the same process. To me it was
8 just political pandering, now saying let's
9 look at how it was done when you guys created
10 the process that we inherited.

11 Q. Did you become aware that as part of
12 the selection of AEG that the speaker of the

13 Assembly had placed certain conditions upon
14 that approval?

15 A. Yes.

16 Q. And did you know what the conditions
17 were?

18 A. No.

19 I don't know them verbatim.

20 Again, after October 29th, I went to
21 running my two committees and dealing with the
22 issues in my district.

23 EXAMINATION

24 BY MS. HOCHHEISER:

25 Q. Why does the date October 29th stick

♀

80

1 Eric Adams

2 out in your mind specifically?

3 A. Because that was the date that
4 Senator Sampson met with the Governor and
5 that's when I shared with him that these were
6 the three groups that I felt fit the
7 qualifications that he was looking for, before
8 going in to meet with the Governor.

9 Q. Granted that's the date he was going
10 to meet. Is there some indication in your
11 schedule or the Senate's schedule that makes
12 you recall that date?

13 A. No, I just remember the
14 conversation. I was endorsing someone for a
15 seat in Brooklyn and I knew that was the

16 date.

17 There was nothing specific. I just
18 remember that.

19 MS. HOCHHEISER: Fair enough.

20 EXAMINATION

21 BY MR. FOGLIA:

22 Q. I am going to ask you if any of the
23 following people contacted you during this
24 process:

25 Did you ever speak to Russell

♀

81

1 Eric Adams

2 Simmons?

3 A. Yes.

4 Q. What was the nature of the
5 conversation?

6 A. He was with Penn National and he
7 thought Penn National was the best.

8 Q. Do you remember when that
9 conversation occurred?

10 A. No, I don't.

11 Q. Do you know if Russell Simmons is a
12 lobbyist?

13 A. I don't know what Russell does now
14 outside of rapping.

15 Q. Did you have any interaction with
16 Stanley Schlein?

17 A. I'm not sure of the name. So I
18 don't want to say I didn't. I am just not

19 sure of the name.

20 Q. Did you have any discussions with
21 former Senator Sabini?

22 A. Yes, I did, but not about this
23 process, just a host of other things.

24 Q. Was he your predecessor as the
25 Chairman of Racing and Wagering?

♀

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1 Eric Adams

2 A. Yes, he was.

3 Q. Did you have any conversations with
4 Congressman Meeks?

5 A. Not on this process at all.

6 Q. I assume you had conversations with
7 Senator Addabbo during the process?

8 A. Yes.

9 Q. Did he indicate he had a preference?

10 A. There were three people he liked:
11 Steve Wynn, SL Green, and AEG.

12 MS. HOCHHEISER: In that order?

13 THE WITNESS: Yes.

14 EXAMINATION

15 BY MR. FOGLIA:

16 Q. Do you remember attending a
17 fundraiser for Senator Espada on October 22,
18 2009?

19 A. No, I don't recall.

20 Q. Do you recall attending any
21 fundraisers for Senator Espada?

22 A. Recently. That's why I said I don't
23 recall. I only recall attending one
24 fundraiser for him and that was recent.

25 Q. Recent meaning 2010?

♀

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1 Eric Adams

2 A. Yes.

3 MR. FOGLIA: Senator Adams, I
4 appreciate you coming in.

5 Thank you for your cooperation.

6 THE WITNESS: Thank you.

7 (Time noted: 3:20 p.m.)

8

9 _____
ERIC ADAMS

10
11 Subscribed and sworn to before me
12 this ___ day of _____, 2010.

12

13 _____
Notary Public

14

15

16

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