



A PUBLICATION OF  
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# THIS WEEK IN NEW YORK

COVERING NEW YORK & CITY GOVERNMENT

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*"Obstacles don't define us. Rather, it is the unparalleled courage and character of us that defines us as a people. So my confidence in the future is steeped in our glorious past - in the face of adversity, we always persist. We persevere, we prevail." Governor Kathy Hochul*

## *In The News-New York State*



### **Governor Hochul Proposes Guardrails for the Mayor of the City of New York**

Governor Kathy Hochul yesterday proposed actions aimed at restoring public trust in New York City government with an expansion of state oversight and new “guardrails” to ensure accountability. The proposals will require legislative action and would take effect immediately upon passage.

“To move this city forward, I am undertaking the implementation of certain guardrails that I believe are a first start toward re-establishing trust for New York City residents,” Governor Hochul said. “These proposed guardrails will help ensure that all decisions out of City Hall are in the clear interests of the people of New York City and not at the behest of the President.”



**Governor Hochul**

The Governor’s guardrails include:

#### **New Special Inspector General for NYC Affairs and Protection of City Commissioner of Investigation**

A new Special Inspector General for New York City Affairs will be established within the Office of the New York State Inspector General. The Special Inspector General for New York City Affairs will receive updates and information directly from the New York City Department of Investigations (NYCDOI) about corruption investigations and also be able to direct NYCDOI to commence investigations across city government.

Under the proposal, the New York City Charter will be revised to provide that the Mayor of New York City will not be able to terminate the New York City Commissioner of Investigation without approval by the State Inspector General.

## STABILIZING CITY GOVERNMENT

Establishing a Special Inspector General for New York City Affairs who will receive updates and information directly from the New York City Department of Investigation

Revising the City Charter to provide that the Mayor of New York City will not be able to terminate the New York City Commissioner of Investigation without approval by the State Inspector General

Giving City officials explicit authority to bring litigation against the Federal government using outside counsel if the City's Law Department declines to do so

Expanding the Office of the Deputy State Comptroller for City Oversight to more closely monitor New York City's fiscal operations

GOVERNOR KATHY HOCHUL



### Empowering Citywide Elected Leaders To Utilize Federal Litigation

Under the Governor's plan, the City Comptroller, Council and Public Advocate will be given explicit authority to bring litigation against the federal government using outside counsel if the City's Law Department declines to do so promptly after a request. Such litigation could be filed against any federal government agency or entity.

### Strengthens State Oversight of New York City's Finances

The Governor is proposing additional funds for the Office of the State Comptroller of the City to support the State's existing ability to continue to monitor the City and its finances. In addition, the State will expand the Office of the Deputy State Comptroller for City Oversight. The new funding will be paid for using New York City tax receipts.

In response to the Governor's proposal, Mayor Adams said in a statement, "I was elected by the people of New York City and its working-class communities to uphold their values — and that is what our administration has done. While there is no legal basis for limiting New Yorkers' power by limiting the authority of my office, I have told the governor, as we have done in the past, that I am willing to work with her to ensure faith in our government is strong. I look forward to continuing those conversations."

The legislative proposals would be in place through the end of the year and could be subject to extension as necessary.



## Attorney General James Sues Nation's Largest Vape Distributors for Fueling the Youth Vaping Epidemic

New York Attorney General Letitia James yesterday announced a lawsuit against 13 major e-cigarette, or "vape," manufacturers, distributors, and retailers for their role in the youth vaping epidemic.

According to the Attorney General, these companies are responsible for illegally distributing, marketing, and selling flavored disposable vapes – including brands such as Puff Bar, Elf Bar, Geek Bar, Breeze, and MYLE. An Office of the Attorney General (OAG) investigation found that these companies market highly addictive, candy- and fruit-flavored nicotine products to underage consumers, mislead customers about the safety and legality of their products, illegally ship products to New York, and violate health regulations designed to curb youth vaping.

"The vaping industry is taking a page out of Big Tobacco's playbook: they're making nicotine seem cool, getting kids hooked, and creating a massive public health crisis in the process," said Attorney General James.

The Attorney General explained that the vaping industry has adopted “deceptive, inescapable” marketing strategies that are reminiscent of the tactics used by the tobacco industry. Specifically, vaping companies directly target youth with bright, colorful packaging, candy and fruit flavors, social media and influencer campaigns, and unproven claims that their products are “safe” alternatives to cigarettes. The vape products the defendants often help develop, design, and even taste-test are intended to attract young people, with eye-catching, cartoonish packaging and flavors like “Blue Razz Slushy,” “Sour Watermelon Patch,” “Unicorn Cake,” “Fruity Bears Freeze,” “Cotton Candy,” “Rainbow Rapper,” “Sour Fruity Worms,” “Fruity Pebbles,” and “Strawberry Cereal Donut Milk,” to entice kids.



The lawsuit alleges:

- None of the companies named in the lawsuit have received authorization from the U.S. Food and Drug Administration (FDA) for their fruit – or – candy flavored vapes, making their sale illegal under federal law. Attorney General James’ lawsuit alleges the companies have knowingly and intentionally ignored FDA warning letters and regulations, as well as the federal Prevent All Cigarette Trafficking (PACT) Act, which prohibits online sales of vaping products to consumers and unlicensed retailers. In addition to violating federal bans on shipping these products, the companies fail to register with the appropriate authorities, verify recipients’ ages, or follow any other shipping restrictions.
- The vape companies have blatantly disregarded New York state public health laws. In 2020, New York banned the sale of flavored vapor products, restricted the shipment and transport of nicotine products, and raised the legal purchase age for all vapes to 21. The state also banned coupons and discounts on vapes, and began requiring certain companies to disclose dangerous ingredients in their vapes. The vape companies named in this lawsuit have repeatedly and knowingly violated these laws.

Attorney General James is seeking broad relief from the companies, including a permanent ban on selling flavored vapes in New York, financial penalties and restitution for harm caused to New Yorkers, public corrective statements to inform consumers of the dangers of vaping, and the creation of an abatement fund to address and mitigate the effects of the public health crisis these companies helped create. In addition, OAG is pursuing total disgorgement of all revenues earned as a result of illegal activity.

The manufacturers, distributors, and retailers named in the lawsuit are Puff Bar, MYLE Vape, Pod Juice, Mi-One Brands, Happy Distro, Demand Vape, EVO Brands, PVG2, Magellan Technology, Midwest Goods, Safa Goods, EVO Brands, and Price Point Distributors, as well as Price Point principals Weis Khwaja, Hamza Jalili, and Mohammad Jalili.



## State Comptroller's Audit Finds Waste and Mismanagement in State's IT Inventory

The state's Office of Information Technology Services' (ITS) lax inventory records have led to thousands of computers and other costly information technology (IT) equipment being unaccounted for, and the agency destroys new and barely used devices rather than donating or selling them, according to [an audit released](#) by State Comptroller Thomas DiNapoli.

"Information Technology Services needs to do a better job of keeping an accurate inventory of its equipment to avoid wasting taxpayer dollars and to protect any sensitive information stored on these devices," Comptroller DiNapoli said. "The findings in this audit are very concerning and the agency needs to overhaul its operations."

ITS was created in 2012 to centralize IT services for state executive agencies. In addition to overseeing the state's IT services and purchasing and maintaining equipment for state employees, ITS is responsible for keeping an accurate inventory of hardware and software for the 57 state entities it fully supports. It also operates 83 stockrooms statewide. From March 2020 to March 2024, ITS spent nearly \$62 million on workstations and associated equipment.

Comptroller DiNapoli's audit found inventories were often inaccurate, records from ITSM and stockrooms didn't match, devices like laptops were missing, and security was lax around the stockrooms where equipment holding potentially sensitive information was stored. The findings include:

- ITS reclassified as "absent" 11,000 devices that were unaccounted for but had an "In-Stock" or other designation. In total, auditors found 17,887 items, including thousands of laptop and desktop computers, listed in ITSM as "absent," mostly because their location wasn't known (82%). Auditors searched for a sample of 102 devices with listed stockrooms, 94 of the devices could not be located.
- Auditors found 924 lightly used or new in-box desktop and laptop computers, estimated value over \$500,000, marked to be discarded. Previously, new, unused, and lightly used equipment was sometimes donated or sold at state auctions, but ITS now destroys discarded equipment, even in new or like-new condition.

The audit called on ITS to improve its oversight and operations; conduct a comprehensive review and cleanup of the inventory data in its ITSM software; strengthen oversight and monitoring of its stockrooms; and review its practice of destroying new and lightly used IT equipment to determine if can be sold or donated.

According to the audit, ITS began reviewing and correcting its inventory data after the audit began. It stated that it will continue to improve monitoring of inventory moving forward, including training stockroom and other staff to identify discrepancies in inventory data. Officials stated that ITS prioritizes data security when disposing of assets, but will consider resale or donation of devices where possible.



# *In The News-New York City*



NYC Office of the Mayor

## **Adams Administration Initiates New Development for Coney Island**

New York City Mayor Eric Adams this week announced the next phase of a plan to deliver 1,500 new homes to Coney Island and invest in the reconstruction of the historic Riegelmann Boardwalk. In addition, the city will invest in new streets, sewers, and public realm improvements, including a \$42 million renovation of the Abe Stark Sports Center.

The New York City Economic Development Corporation (NYCEDC) yesterday released a [Request for Proposals \(RFP\) for “Parcel A,”](#) an 80,000-square foot city-owned site located on Surf Avenue between West 21st and West 22nd Streets, west of the iconic Coney Island Amusement District. The future development of Parcel A will bring more than 500 mixed-income homes, 25 percent of which will be affordable, and ground-floor retail to the site.

The city will renovate Abe Stark Sports Center and the Coney Island boardwalk by enhancing the public realm and building new streets and utilities. The Abe Stark Center renovation will include a new entrance and signage on the boardwalk, improved ice-skating facilities, and other amenities. A [Request for Quote \(RFQ\)](#) has been released for a design-build team to lead the renovation. The boardwalk’s reconstruction will take place in phases and incorporate coastal resilience features, including elevation.

These development projects augment recent development of this area which began with the construction of two affordable housing projects — Surf Vets Place and Raven Hall — which opened in 2019 and 2022, respectively. An additional affordable housing project — Luna Green — is currently under construction on the same block and another residential building is in the planning phase. New streets — including Ocean Way and Parachute Way — will accompany the development.

## ***Briefs***

### **Governor Sends New York National Guard to State Correctional Facilities**

Governor Kathy Hochul this week signed an [Executive Order](#) activating members of the New York National Guard to help ensure the safety and security of New York State's correctional facilities while the “illegal and unlawful” work stoppage by correction officers continues. National Guard members will support and supplement current correctional staff on site.

The Order also provides authority for additional overtime compensation for correction officers and other staff who are reporting for duty and actively working to secure our facilities.

Governor Hochul also directed the Department of Corrections and Community Supervision and the Office of Employee Relations to retain independent mediator Martin Scheinman. New York State filed an injunction under the Taylor Law and a judge granted a temporary restraining order mandating striking correction officers to cease the illegal activity.

Scheinman serves as the industry arbitrator with unions and management associates covering over 50,000 employees and is the permanent arbitrator in over 400 contracts including most of healthcare in New York, Major League Baseball and its Players' Association and the National Hockey League and the Players' Association.

## **State Pension Fund Sees Loss in Third Quarter**

New York State Comptroller Thomas DiNapoli this week announced that the estimated value of the New York State Common Retirement Fund (Fund) was \$273.4 billion at the end of the third quarter of State Fiscal Year 2024-25. For the three-month period ending December 31, 2024, Fund investments returned an estimated -0.14%.

“Although 2024 was generally positive, markets fell in December. Investors will face continued uncertainty in the months ahead with the potential for tariffs and geopolitical issues raising concerns even as the U.S. economy continues to show strength,” Comptroller DiNapoli said. “Fortunately, our diverse and well-managed portfolio is built to withstand market fluctuations and remains one of the reasons we are among the nation’s strongest and best-funded public pension funds.”

The Fund's third quarter value reflects retirement and death benefits of \$4.3 billion paid out during the quarter. The Fund's audited value was \$267.4 billion as of March 31, 2024, the end of the state’s fiscal year.

As of Dec. 31, the Fund had 40.94% of its assets invested in publicly traded equities. The remaining Fund assets by allocation are invested in cash, bonds, and mortgages at 22.16%, private equity at 14.58%, real estate and real assets at 13.93%, and credit, absolute return strategies, and opportunistic alternatives at 8.39%. The Fund’s long-term expected rate of return is 5.9%.

## **Court of Appeals “Validates” NYS Commission on Ethics and Lobbying in Government**

The State Court of Appeals on Tuesday overturned two lower court decisions, ruling in a 4-3 decision that the creation of the Commission on Ethics and Lobbying in Government (COELIG) did not violate the State Constitution.

Previously, in *Cuomo v. New York State Commission*, state Supreme Court Justice Thomas Marcelle ruled that COELIG’s process for approving and removing board members violated the separation of powers under the State Constitution. The Appellate Division, Third Department affirmed the decision. However, four of the seven Court of Appeals ruled that COELIG may continue.

“While the Act extends very close to the boundary of permissible legislation, it is not ‘intrinsically a constitutional affront to the separation of powers doctrine,’” Associate Judge Jenny Rivera [wrote for the majority](#). “We therefore conclude that the Act is not unconstitutional in every conceivable application.”

COELIG Chair Leonard Austin and Executive Director Sanford Berland called the ruling “validating” and “...that validation is especially important now, when the need for an agency with our mission is as great as it has ever been,” according to published reports.

## **Over 20 States File Lawsuit to Block New York Superfund Act**

Over 20 states have filed a federal lawsuit against New York challenging the constitutionality of the new Climate Change Superfund Act which seeks to collect approximately \$75 billion from companies determined to be responsible for greenhouse gas emissions.

Signed in December by Governor Kathy Hochul, the Superfund Act directs the state Department of Environmental Conservation to establish regulations to identify “responsible parties” and the procedures for collecting payments from those companies after issuing notices of cost recovery demand.

The federal lawsuit was filed in U.S. District Court in Albany this week by attorneys generals from Alabama, Arkansas, Georgia, Idaho, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Montana, Nebraska, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah and Wyoming. Several industry groups, including the West Virginia Coal Association, Alpha Metallurgical Resources, and the Gas and Oil Association of West Virginia, are also parties to the litigation.

"The state of New York believes it can seize control over the makeup of America's energy industry," the complaint asserts. "In an unprecedented effort, New York has set out to impose tens of billions of dollars of liability on traditional energy producers disfavored by certain New York politicians. These energy producers needn't operate in New York before becoming a target. And New York consumers won't bear the brunt of these crushing new costs once they're imposed. Rather, New York intends to wring funds from producers and consumers in other States to subsidize certain New-York-based 'infrastructure' projects, such as a new sewer system in New York City."

## ***Coming Up***

### ***New York State***

***Monday, February 24<sup>th</sup>***

***An Examination of Maternal Mortality and Morbidity Rates in New York State***

NYS Senate Joint Hearing: Health, Mental Health, Social Services & Women's Health Committees,  
Legislative Office Building, 9:30 a.m.

***Senate Codes Committee***, Room 124 State Capitol, 11:30 a.m.

***NYS Assembly Session***, 2 p.m.

***NYS Senate Session***, 3 p.m.

## ***Tuesday, February 25<sup>th</sup>***

***NYS Legislative Fiscal Committees Executive Budget Hearing: Labor/Workforce Development***  
Legislative Office Building, 9:30 a.m.

***Senate Local Government***, Room 904 Legislative Office Building, 9:30 a.m.

***Senate Judiciary Committee***, Room 124 State Capitol, 9:30 a.m.

***Senate Crime Victims, Crime and Correction Committee***, Room 124 State Capitol, 10 a.m.

***Senate Banks Committee***, Room 710 Legislative Office Building, 10:30 a.m.

***Senate Environmental Conservation Committee***, Room 124 State Capitol, 11 a.m.

***Senate Energy and Telecommunications Committee***, Room 124 State Capitol, 11:30 a.m.

***Senate Elections Committee***, Room 816 Legislative Office Building, Noon.

***Senate Labor Committee***, Room 308 Legislative Office Building, Noon.

***Senate Cities 1 Committee***, Room 411 Legislative Office Building, Noon

***NYS Assembly Session***, TBD

***NYS Senate Session***, 3 p.m.

## ***Wednesday, February 26<sup>th</sup>***

***NYS Legislative Fiscal Committees Executive Budget Hearing: Economic Development/Arts***  
Legislative Office Building, 9:30 a.m.

***Senate Alcoholism and Substance Use Disorders***, Room 813 LOB, 9:30 a.m.

***NYS Assembly Session***, TBD

***NYS Senate Session***, 11 a.m.

## ***Thursday, February 27<sup>th</sup>***

***NYS Legislative Fiscal Committees Executive Budget Hearing: Housing/Taxes***  
Legislative Office Building, 9:30 a.m.

Note: The NYS Assembly Committee agendas were not released in time for publication.



## ***New York City***

### ***Monday, February 24<sup>th</sup>***

***Committee on Public Safety***, Council Chambers - City Hall, 10 a.m.

***Subcommittee on Zoning and Franchises***, 250 Broadway - Committee Room, 16th Floor, 11 a.m.

### ***Tuesday, February 25<sup>th</sup>***

***Committee on Economic Development, Jointly with the Committee on Contracts***, Committee Room - City Hall, 10 a.m.

***Committee on Fire and Emergency Management***, 250 Broadway - Committee Room, 10 a.m.

***Committee on Aging***, Committee Room - City Hall, 1 p.m.

### ***Wednesday, February 26<sup>th</sup>***

***Committee on Public Housing, Committee Room*** - City Hall, 10 a.m.

***Subcommittee on Landmarks, Public Sitings and Dispositions***, 250 Broadway - Committee Room, 16th Floor, 10 a.m.

### ***Thursday, February 27<sup>th</sup>***

***Committee on Finance***, Committee Room - City Hall, 10 a.m.

***Stated Meeting***, Council Chambers - City Hall, 1:30 p.m.

### ***Friday, February 28<sup>th</sup>***

***Committee on Environmental Protection, Resiliency and Waterfronts***, 250 Broadway - Committee Room, 16th Floor, 10 a.m.

***Committee on Mental Health, Disabilities and Addiction***, Committee Room - City Hall, 10 a.m.

***Committee on Civil Service and Labor***, 250 Broadway - Committee Room, 14th Floor, 10 a.m.

***Committee on Women and Gender Equity***, Council Chambers - City Hall, 1 p.m.

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