

A Lobbyist Gave \$900,000 in Donations. Whose Money Is It?

A lobbyist for a powerful hospital group has been New York's most reliable donor, raising questions of whether his employer directs the contributions.



The Greater New York Hospital Association is the state's most powerful hospital and health system trade association. Credit...Seth Wenig/Associated Press



By [J. David Goodman](#)
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Of all the billionaires, hedge fund managers and chief executives who have showered politicians in New York with money in the last five years, no one has given more often than David C. Rich.

Since 2014, Mr. Rich has doled out more than 200 contributions totaling over \$900,000. Last year alone, he gave away nearly a quarter of a million dollars across dozens of campaigns, according to an analysis by The New York Times, and has donated at least 39 times so far this year.

The scale of personal contributions put Mr. Rich in the rarefied ranks of the fabulously wealthy, like Steven A. Cohen, the investor, and the Walton family, heirs to the Walmart fortune, who write huge checks to favored causes, [often to charter schools](#).

But Mr. Rich is no billionaire. He is the in-house lobbyist for the Greater New York Hospital Association, the state's most powerful hospital and health system trade association.

His contributions go to Democratic and Republican candidates alike, and the donations have one thing in common: They seem to neatly line up with the interests of his employer.

No comparable in-house lobbyist gives as much as Mr. Rich, nor appears to earn as much: He made \$1.7 million in total pay in 2017, according to the nonprofit organization's most recent tax filings.

The scale of Mr. Rich's donations and his compensation raised questions about the hospital association's lobbying methods in Albany, at a time when a new Democratic majority in the Capitol is [weighing the future of health care](#) in New York.

Although the nonprofit hospital association is free to make political contributions without an annual cap, it gives nothing to individual candidates — essentially allowing Mr.

Rich's personal donations to speak for the organization. That setup seems structured to enhance the profile and influence of Mr. Rich, an executive vice president responsible for all of the association's federal, state and local advocacy.

Mr. Rich's pattern of donations, while unusual, is emblematic of an openly money-focused political culture in Albany in which [lobbyists crowd fund-raisers for elected officials steps away from the Capitol](#), and trade associations pour contributions into campaigns.

Mr. Rich said that his donations were personal and had no connection to his job.

"My personal contributions are mine alone and reflect my passion for, and participation in, the political process," Mr. Rich said in an email.

But seven candidates who have received checks from Mr. Rich in recent years said they assumed the checks represented donations from the association, rather than expressing Mr. Rich's personal political beliefs. That the checks came from his personal account caused some confusion.

"I always wondered about that," said a state senator, who, like other candidates and elected officials who spoke to The Times, requested anonymity to discuss Mr. Rich's contributions for fear of antagonizing a major contributor. "It's an unusual arrangement, even in Albany."

Employers are barred from paying their workers extra compensation with the expectation that the money would be used for political contributions, said Henry Berger, a veteran election lawyer. "If anybody could ever prove that such an arrangement was made, it would be found illegal," he said.

Mr. Rich said that no such arrangement existed.

"No part of my compensation is determined by or connected to my campaign contributions," he said. "In my 26 years at G.N.Y.H.A., I have never been directed or required by my employer to make a campaign contribution, nor have I ever been reimbursed by my employer for a campaign contribution."

Other major trade associations do not pay nearly as much, even to their top officials. John Banks, then the president of the Real Estate Board of New York, which represents developers' interests, was paid about half as much as Mr. Rich in 2017.

Mr. Rich, who joined the hospital association in 1993, has been a longtime donor to political campaigns, mostly at the state level. But his contributions have increased in recent years, according to an analysis of state filings by The Times.

They appear to represent a significant portion of his pretax income in some years. For example, in 2015, Mr. Rich made \$1.5 million in total compensation and gave away

\$162,000 to political candidates. The next year, he made \$1.6 million and gave away \$128,000. (Political contributions are not tax deductible.)

“Given the donor’s job, these hefty contributions raise all kinds of questions, but the larger issue here is New York’s ridiculously high contribution limits, which invite pay to play,” said John Kaehny, the executive director of Reinvent Albany, a good government group. “The Campaign Finance Commission has to lower contribution limits, or nothing will really change in Albany.”

The hospital association is a behemoth in Albany, commanding respect and close connections in the Legislature and the governor’s office, even though it does not give money directly to candidates.

The association has, however, given more than \$5 million through its for-profit arm to Democratic and Republican Party committee housekeeping accounts since 2014. It also spends heavily on outside lobbyists, employing four separate firms in the first half of 2019 for more than \$415,000, according to state filings.

Greater New York forged a bond years ago with [1199SEIU](#), a health care workers union, and has [presented a unified front](#) against health care [funding cuts](#). Its president, Kenneth Raske, enjoys a close relationship with Gov. Andrew M. Cuomo, and has been seated at the governor’s table at fund-raisers. (Mr. Raske earned more than \$8 million in 2017.)

With the collapse [of real estate’s influence in Albany](#) evident in the rent law changes during the last session, the health care industry has remained a power center, one of the few left standing. Greater New York, whose most prominent members are New York City hospitals, is a major reason for that influence.

And Mr. Rich is the association’s most recognizable face in the state capital.

“I would say he’s among the best and most well-regarded lobbyists in Albany,” said Kathryn Wylde, the president of the Partnership for New York City, a nonprofit business group. “He is probably more effective than anyone at stopping legislation that will be damaging to his industry.”

The association, along with 1199SEIU, was [successful earlier this year](#) in restoring proposed budget cuts to Medicaid funding, and has resisted proposals supported by trial lawyers, another major spender in Albany, to increase damages in wrongful death cases.

Many trade groups and business associations employ in-house lobbyists, and many of them funnel money to political campaigns on behalf of their employers through vehicles like political action committees. They also make personal donations, but none on the scale of Mr. Rich.

The Healthcare Association of New York State, which represents hospitals statewide, contributes large amounts of money through its political action committee. But its lobbyists have made few personal contributions.

For example, Robin Frank, a government affairs employee at H.A.N.Y.S., never gave more than \$2,000 in a year during her time, state records show. Another government affairs worker, Susan Van Meter, made similarly small contributions, mostly to the association's political action committee. Both earned less than \$300,000.

A spokesman for the hospital association, Brian Conway, said Mr. Rich "cannot be meaningfully compared to anyone" who might be considered a counterpart at another association because of his large staff and many responsibilities, which include overseeing communications, public policy and independent expenditure campaigns, as well as lobbying.

Mr. Conway also pointed to the uniqueness of the association, whose for-profit arms afford the association "more resources to serve our members" than other hospital associations, he said.

Mr. Rich's top recipients have included Mr. Cuomo, a Democrat, as well as members of a group of breakaway Democrats known as the Independent Democratic Conference, who until last year's elections [helped Republicans maintain control of the State Senate](#). He has also made a smaller number of contributions to federal candidates, mostly in the New York area.

Mr. Rich has given tens of thousands of dollars to the current chair of the State Senate health committee, Gustavo Rivera, a Democrat, and to the former chairman, Kemp Hannon, a Republican.

"He's an incredibly smart, effective and thoughtful advocate for his constituency. We won't always agree, but I will always listen to him," Mr. Rivera said in a telephone interview. "My decisions as a policymaker have never been influenced and will never be influenced by who supports me financially."

Mr. Rivera and Mr. Hannon both also received contributions from Scott R. Smith, who is Mr. Rich's domestic partner.

Since 2014, Mr. Smith has contributed \$70,000 to state candidates' campaigns and to a health care political action committee. Every one of those entities also received donations from Mr. Rich.