

The Metro Section

□N

B1

SATURDAY, JULY 21, 2007

The New York Times

Hevesi Counterattacks Over Inquiry Into His Oversight of Pension Fund

By DANNY HAKIM

Alan G. Hevesi, who resigned in disgrace as the New York State comptroller in December, went on the offensive yesterday, saying he was the victim of a smear campaign and defending his management of the state's pension fund.

Mr. Hevesi, in a statement issued by his lawyer, criticized Attorney General Andrew M. Cuomo and the current comptroller, Thomas P. DiNapoli.

He accused Mr. Cuomo of leaking confidential information about a continuing investigation into his management of the comptroller's office during his four-year tenure, and he also said he had been unfairly maligned by Mr. DiNapoli.

Mr. Hevesi changed lawyers this week and signaled a far more public and combative strategy. His new lawyer, Bradley D. Simon, has represented people caught up in public cases before, including David Chang, a businessman who was a key figure in allegations of improprieties raised about Robert G. Torricelli, the former United States senator from New Jersey.

"Today we respond to the smear campaign and innuendoes that have been leveled

at Alan Hevesi over the last week," Mr. Simon said in the statement.

In addition to accusing Mr. Cuomo and his staff of leaking details of the investigation—which is being led by the attorney general as well as P. David Soares, the Albany County district attorney—Mr. Simon suggested that Mr. Cuomo had prejudged the investigation in May when he said that he had uncovered "very troubling, serious, systemic conflicts of interest" in the office during Mr. Hevesi's tenure.

"It is wrong for law enforcement officials, who are sworn to uphold the due process protections afforded by our Constitution, to publicly rush to judgment at the inception of an investigation," Mr. Simon said.

Jeffrey Lerner, Mr. Cuomo's director of communications, issued a response. "As counsel well knows, this office and others are in the midst of an ongoing investigation involving the comptroller's office," he said. "The only comment this office has made regarding the case is that we are concerned about troubling and systemic conflicts of interest in the comptroller's office. Given the

Continued on Page B5

Hevesi Mounts a Counterattack

B5

Continued From Page B1

past and present, we stand by that."

Mr. Simon said that "leaks apparently emanated from the office of the state attorney general," leading to a spate of recent news articles about the case. He did not offer evidence to support the claim and would not elaborate on his statement.

Mr. Simon also attacked Mr. DiNapoli, who was elected by the State Legislature to take Mr. Hevesi's place in February.

Last week, Mr. DiNapoli criticized Mr. Hevesi, saying the former comptroller "and others on his staff engaged in unethical, irresponsible and possibly criminal activity." He also said that more than a hundred pages of documents were missing from the comptroller's office after David Loglisci, the deputy comptroller, resigned.

Mr. Simon said that "in order to divert attention from the fact that these documents were 'lost' on his watch, Mr. DiNapoli implied that somehow these documents were 'lost' to cover up wrongdoing."

The suggestion, he said, is "baseless and absurd."

Mr. Simon even took some personal shots, accusing Mr. DiNapoli of a "lack of professionalism" as well as "personal weakness."

Dennis Tompkins, a spokesman for Mr. DiNapoli, said the comptroller's "focus is to restore integrity and ethics to the office of the state

comptroller."

"We've been cooperating fully with the district attorney and the attorney general's investigation and will continue to do so," he added.

The charges and countercharges are the latest chapters in an increasingly acrimonious investigation that has raised questions among state officials about the comptroller's role as sole overseer of the state's \$154.5 billion pension fund; many other state pensions are overseen by boards.

Mr. Hevesi resigned in December, he pleaded guilty to a felony after it was revealed that he had ordered state workers to chauffeur his ailing wife. That investigation was also led by Mr. Soares, the district attorney.

The latest inquiry focuses more broadly on how decisions were made to invest the pension fund money and whether people in the office or in Mr. Hevesi's family were receiving improper benefits. A report in The New York Times last weekend said that investigators were examining relationships between companies that did business with the pension fund and Mr. Hevesi's two sons and two of his top aides.

Mr. Simon defended Mr. Hevesi's record.

"All pension fund decisions under Mr. Hevesi's watch were made strictly on the merits by a team of highly qualified and professional public servants as well as outside consultants and gatekeepers," he said.