

Race To Represent 2018 Comptroller General Debate

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Moderator: Ben Max

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Ben Max: Manhattan Neighborhood Network in partnership with Gotham Gazette and the League of Women Voters of New York State, presents Race 2 Represent, a MNN election initiative.

Ben Max: Hello, I'm Ben Max, Executive Editor of Gotham Gazette. New Yorkers will be voting in the general election on Tuesday November 6th. They will be casting their ballots for offices including governor, lieutenant governor, attorney general, state senate, state assembly, and state comptroller.

Ben Max: Today, we bring you a debate with the candidates running for New York State Comptroller. The winner will take office in January of 2019. The comptroller's office has wide reaching powers, crucial to the fiscal wellbeing of New York. It manages the 200 plus billion dollar state pension fund, audit state agencies and state contracts, reports on state finances, and oversees the economic affairs of city governments, including New York City.

Ben Max: Joining us today is the Democratic Candidate, Tom DiNapoli, the incumbent, the Green Party Candidate, Mark Dunlea. The Libertarian Candidate Cruger Gallaudet, and the Republican Candidate, Jonathan Trichter. Welcome, thank you all for being here, we're gonna get started. The first question we're gonna start with you Comptroller DiNapoli, and move to my right. The first question is, how do you describe the job you're applying for, or your case, reapplying for, the job of New York State Comptroller?

Tom DiNapoli: Well, I think it's the best job in the state government, that's why it's been a privilege for me to serve in this position, I hope I have a chance to do it for another term.

Tom DiNapoli: It's really the office that promotes accountability and transparency in state government and in local government as well. I don't have a vote, I don't make

any decisions on how the money's spent but I do have a voice. And the comptroller exercises have voice through our budget reports or analysis of state fiscal practices, our evaluation of local government finances with our audits. Where for state government, local government, we do promote the tax payer interest.

Tom DiNapoli: And in New York we have another added responsibility, a little different than some other states, where I serve as trustee for the New York common retirement fund, that's the fund that provides the retirement for 1.1 million New Yorkers who are either retired public workers or public workers who look forward to be retired one day.

Tom DiNapoli: So there's a broad range of responsibilities, a lot of it has to do with the back office operation of the state contracts, approving payments and so on. But we've been an effective partner in keeping New York moving forward and I want to continue to do that. Look out for the tax payer interest and make New York an even better state than it is already.

Ben Max: Okay, thank you, Mr. Dunlea, how do you describe the job of state comptroller?

Mark Dunlea: Well I think Tom has done a fairly good job outlining the present responsibilities of state comptroller. I would like to change that a bit, I think the state comptroller needs to be the fiscal watch dog for the state to make sure the money's being spent properly and wisely. I think there needs to be a more aggressive effort by the state comptroller to crack down on corruption within the state government which is quite pervasive.

Mark Dunlea: I think we need to particularly go after both the state authorities and their incurrent of debt and their improper expenditure practices. But the main reason I personally am running, is because for the last five years I've worked with 350.org, to try to get institutions in New York state and around the world to divest from fossil fuels.

Mark Dunlea: We've managed to divest seven trillion dollars from a thousand institutions because of the role of climate change. Earlier this year we were able to convince New York city to divest from fossil fuels, we did get Governor Cromo to agree to support state divestment, did manage to get about 50 state legislators to co sponsor legislation I helped write.

Mark Dunlea: But I've not been able to convince Tom yet to divest our state pension fund and if we divested a decade ago, we'd have about 22 billion dollars more money in the state pension fund, so that's one of the things I'd like to protect tax payers from is the impact of climate change.

Ben Max: Okay, thank you. Mr. Gallaudet, how do you describe the role that you're applying for?

Cruger G.: Well first of all, I just want to point out I'm not a politician. I'm from the private sector, I have an MBA, my first job was as an auditor for General Electric, so I actually have experience auditing other organizations. But like a true politician I may not answer the question that you ask because I'm here really to convince people to vote libertarian.

Cruger G.: Particularly on the comptrollers job because libertarians I think are probably the most fiscally responsible party on the planet. And if you want to split your ticket, this would be a good place to do it, because we've had Mr. DiNapoli in there for quite a few years, if you want change, I think vote for me. If you want change in general, vote libertarian.

Cruger G.: I will elaborate more on my thoughts about why you should vote the libertarian ticket and I will reserve that for another question that you ask that I probably won't answer.

Ben Max: Okay. Mr. Trichter, how do you describe the role of the job that you're applying for?

Jonathan T.: As the most powerful, underappreciated and under utilized office in New York state. It is the top watch dog and chief fiscal officer of New York, the job shouldn't be held by a politician, it should be run by a professional. It's supposed to police Albany and Albany Excess, and Albany politicians, and instead the office has been held by Albany politicians.

Jonathan T.: I covered the office as a public finance investment banker at JP Morgan where I had a private sector view to the previous comptroller who was a long time Albany hand and was then hauled off to prison, and to fill that vacancy, the current comptroller, Tom, sitting to my right, was hand selected by Shelley Silver over the objection of every editorial board in New York state because as the governor of his own party said at the time, he is totally and thoroughly unqualified.

Jonathan T.: And he has since returned the favor to the state legislature, who appointed him to uphold and strengthen the status quo in Albany at the expense of ordinary New Yorkers and all the good that this office could do, was ordinary New Yorkers. The powers of the office are formidable. He's the sole trustee of a \$200 billion dollar pension fund.

Jonathan T.: It's a market power of a Saudi prince. And this comptroller has basically covered up his pension performance and his investment performance, which he has underperformed to the tune of \$65 billion dollars and made up for in taxes, local taxes. The reason that New York state's localities taxed so much, property taxes are so high, are due to two things, Medicaid and pension costs.

Jonathan T.: Pension under performance by the sole trustee of it's pension fund, Tom DiNapoli. There are two or three other incredibly powerful tools the comptroller

has that could disrupt the status quo and fix many of the vexing fiscal problems that government groups wring their hands over and struggle with figuring out how to amend. And I'm telling you the comptroller can do it single handedly and unilaterally, and he's not.

- Ben Max: We'll get back to some of those issues. I'm going to move on to a second question. But first Comptroller DiNapoli, Mr. Trichter said a few things about you, give you a few seconds to respond to anything you want to there.
- Tom DiNapoli: Well now I understand why Jonathan's running, he views himself as being a Saudi prince. And he's using his very effective career of being a political operative largely for democratic candidates over many, many years, that's really what his bio indicates. A lot of exaggerations, a lot of misunderstanding and misrepresentation of my record and of the office.
- Tom DiNapoli: I'm very proud of the fact that I became comptroller because a bipartisan coalition of legislators want to restore integrity to this office, and I'm very proud that I was elected by the people in 2010 and 2014, with most of the editorial boards endorsing me when they saw my performance.
- Tom DiNapoli: So I have a record that I'm very proud of and that I'm proud to stand on.
- Ben Max: So let's move on to the second question, which is, now that we've described the role a little bit and some of you got into some of the answers to this next question, but what are your specific qualifications for the role?
- Ben Max: And of course Comptroller DiNapoli, you're reapplying, so you could talk a little bit about what you think your accomplishments are, but for those in the challenger seats, what makes you qualified to fill this role? We're going to start with you Mr. Gallaudet, what are your qualifications to become state comptroller?
- Cruger G.: You want honesty? Not a whole lot. I've got an MBA, I've been in the private sector for a long time, I was with General Electric, I was an auditor, so I'm probably the only person on the stage that has actually performed an audit. But I have no, I've held no political office other than the Board of Education at Tuckahoe.
- Cruger G.: But what I would bring is a fresh pair of eyes on the whole job, the whole point of the comptroller's job, why does New York have such a huge pension fund? Why are we managing it? Could it be done differently? Also the whole issue of who's controlling the comptroller?
- Cruger G.: He reports to no one. There's not accountability. So that can lead to corruption and graft, I'm not saying that it's happened but that's a possibility. Anyways, so my qualifications would be a fresh pair of eyes plus as I say, I think the voters should vote libertarian right across the ticket.

Ben Max: We're going to come back in a minute to ask you a little bit more about what a libertarian approach to being comptroller would be, but first, Mr. Trichter your qualifications.

Jonathan T.: So, I'm a public finance and public pension expert. I served as a public finance investment banker at JP Morgan. I then ran a municipal restructuring line of business for a restructuring firm, and in that capacity I was tapped by Pew Charitable Trusts to help lead a SWAT team of pension professionals that ran around the country to apply reforms and assistance to struggling pension funds around the USA.

Jonathan T.: And in that capacity I also lead the most comprehensive restructuring of a public safety pension plan in Jacksonville, Florida. And I rely on those laurels. On top of that, I am a lifelong democrat, who nevertheless was tapped and asked by the republican party and the conservative party of New York to run in their line due to my qualifications and expertise, I was given a dispensation, something they called a Wilson Pakula, and it's the first time that the republicans gave such a dispensation to a state wide candidate since 1970.

Jonathan T.: I like to think it's because of my qualifications and deep background and expertise in public finance, in public pensions and my success in restructuring a public safety plan in Jacksonville, Florida. At the time, one of the few successful and maybe still, one of the only successful comprehensive restructuring of a struggling public pension plans in America.

Ben Max: And as you mentioned, you have been a democrat until seeking this position and as Mr. DiNapoli noted, you've worked on some campaigns, including for democrats, what has that experience taught you and prepared you for this role?

Jonathan T.: Well I hope it's not a critique Tom, I hope you don't hold it against me that I've worked for democrats before. I've worked for fiscally reasonable and pragmatic democrats. I myself am a fiscally pragmatic individual and would take that approach to the comptroller's office, only in New York does that make you a fiscal conservative, if you can actually do math and balance budgets.

Jonathan T.: And I could talk at length about the comptroller's performance which he claims to be par excellence, and talks about his own editorial endorsements, but may I also point out that in 2010, every newspaper in the state endorsed his opponent other than News Day, his hometown paper. I'm not sure what he's talking about when he speaks about- [crosstalk 00:10:37]

Ben Max: We're going to get into that, into some of that rector and start right now obviously with Mr. DiNapoli, your chance to talk about your accomplishments.

Tom DiNapoli: It was more than News Day, and you know I report to the people of the state of New York and that's who the ultimate boss is for the comptroller and for an elected official like this. And unlike John, I have my values as a democrat, and

I've stuck with them all my life, I grew up in a good republican household, but I'm a democrat.

Tom DiNapoli: And in Trump's America, to become a republican after you've been a democrat all these years and to sign onto the republican agenda and the conservative party agenda. Does that mean John, that you've agreed now not to be pro choice on a woman's right to choose and control her own body? Marriage equality? Those are the kind of values that the conservative party stands for. If you had to sell yourself to get a nomination, I don't think that's the best standard to be running for office.

Tom DiNapoli: I have a clear record, like Mr. Gallaudet, I was a school board member for ten years, I began as a local official, elected 11 times to the state assembly representing my community, served on the assembly ways committee, Ways of Means committee, the fiscal committee for the assembly, and I've done the job since 2007, restoring the integrity to the office, managing through tough fiscal times, the Great Recession, growing the pension fund to be at a record all time high, and Pew has acknowledged that we are one of only four state pension plans in the country that is over 90% funded. That is an enviable record.

Ben Max: Okay, thank you. We're going to come back to you in just a minute but we're going to let Mr. Dunlea talk about his qualifications for the job.

Mark Dunlea: Well, unlike John or Tom, I'm agreeing, I'm not a democrat. As a student at Albany Law School and RPI, I started the New York Public Interest Research Group and I've had many decades of work. I probably have testified on the state budget more than any other person running for state office at this point.

Mark Dunlea: I graduated the top of my class at RPI, management at Albany Law School, I focused on issues of taxation and corporations because I assume I'd be competing on that issue once I graduated from law school. I was an elected town board member in my town, I'm probably one of the few elected officials who can say every year I've been in office, I cut taxes.

Mark Dunlea: And one of the things I did is I put all the town contracts out to bid, one of the results of that was at the county democratic chairperson ended up in federal prison for two years because it turned out he was skimming money off of our town insurance contract before I got here.

Mark Dunlea: I was 22 years old the first time I was involved in litigations, suing over how government in this case, New York state and Albany county were circumventing the restrictions on current of public debt. I wrote the law that gave tax payers the right to sue over a legal expenditure of tax payers funds when I was a law student.

Mark Dunlea: I was one of the co founders of the Fiscal Policy Institute, I spent many years doing things that just promoting legislation to curb the abuses in the economic development program.

Ben Max: Okay, we're going to start with you Mr. Trichter, this round and if you want to take a moment to respond to Mr. DiNapoli's comments about your beliefs and switching your party under President Trump from democratic to republican, you can do that.

Jonathan T.: Yeah, it's time DiNapoli wants to run against-

Ben Max: Let me ask the question and you can start there and then move into your answer to the question, this question will go to everybody but you first Mr. Trichter. And this is about perhaps the most powerful aspect of this job as some of you have mentioned which is management and being the sole trustee of the public pension fund that's valued over \$200 billion dollars, how you would approach that awesome responsibility as comptroller if elected or re-elected. Mr. Trichter.

Jonathan T.: Sorry for interrupting. So if Tom wants to run against Donald Trump, as he's running for re-election for comptroller, he's more than welcome to, but I'm running for a professional office which requires a private sector set of skills including being responsible for investing over \$200 billion dollars in public assets. Now Tom DiNapoli has basically misrepresented his own performance investing those funds. His expectation was to earn 7.5% over the 11 years he's been in office.

Jonathan T.: He's only earned 6%. And the difference, the delta between his expectations and what he's earned translates into \$65 billion dollars in under performance. He's had to make up for that \$65 billion dollars in debt by taxing New York localities, and he's done it very aggressively.

Jonathan T.: The state comptroller has siphoned up local tax dollars ten times more than localities around the countries have for their own public pension problems and under performance.

Jonathan T.: So, what I would do is I would invest the public pension assets passively in S&P Indexes, the equity portfolio, and by doing that I could basically ban hedge funds and private equity, and this man, this Tom DiNapoli, the state comptroller, has spent over, and paid over \$6 billion dollars in fees to hedge fund managers and other alternative fund managers since he's been in office.

Jonathan T.: I call him the \$6 billion dollar man. If it sounds like a lot, it's only because it is. The alternative asset portfolio of the pension fund under DiNapoli, has underperformed.

Jonathan T.: So he's paid \$6 billion dollars to hedge funds for under performance, whereas he would have done much better for New York retirees had he passively invested the equity portfolio in S&P Indexes. That \$6 billion dollars should be retirees. Not hedge fund managers

Ben Max: So we're going to come to you Comptroller DiNapoli, to discuss your management and being the sole trustee of the pension fund.

Tom DiNapoli: It's been excellent and it's been strong, I don't know if I have the time to respond to everything Jonathan has said, but he doesn't put that footnote in about the global financial crisis that happened during my ten year. I don't think he's suggesting I'm responsible for it, perhaps he is.

Tom DiNapoli: When you consider our performance even with that year in the ten year look back, 11 year look back, it's an excellent performance. My obligation ultimately is to the members of the system, that's my fiduciary responsibility. And that means our goal is to have a smart investment strategy but also to make sure we don't fall behind on funding our pensions.

Tom DiNapoli: You look at the states that are in bad shape, very often they're in bad budget condition or fiscal condition because their pensions are poorly funded. They haven't paid the bill. Well we have, that's why we are now 98% funded. And we have been ahead of other pension funds in being more conservative in our outlook. Now down to 7% long term assumed rate of return.

Tom DiNapoli: And the strength is the diversification of our portfolio, to put all of our money in index funds would be totally irresponsible. To put all your eggs in one basket, if we didn't learn anything from the global financial crisis, you have to be diversified. Is there a premium when you put some money into the alternatives? Absolutely.

Tom DiNapoli: But we went from \$109 billion at the depths of the global financial crisis, now we're \$209 billion. So I'm, the \$100 billion man, not the \$6 billion man.

Jonathan T.: Your liabilities are \$241 billion Tom, so you're \$200 billion dollars but you've got \$241 of liabilities.

Ben Max: And just on this issue of, excuse me, on this issue of the fees to hedge fund, you say that sometimes to diversify that comes with the territory.

Tom DiNapoli: Absolutely.

Ben Max: And so you feel comfortable about continuing that if re-elected?

Tom DiNapoli: Well we're always looking to negotiate for better fees, and in some of the higher fee areas, like hedge funds, we've been reducing our allocation significantly.

Tom DiNapoli: We also have most of our public equities invested passively through index that are internally managed, so we actually are more efficient than many other public pension funds with our public equities.

Tom DiNapoli: So when we pay the fees for the alternatives, we feel it does balance out because it gives us the strength of diversification. You take something like hedge funds, they actually perform better in that year of great collapse than the public equity.

Tom DiNapoli: So if we had all our eggs in the public equity basket in the year that the markets tanked, we really would still be digging out from under it today.

Ben Max: You'll have a chance to get back into the mix here but Mr. Dunlea, how would you approach this position managing the massive pension fund?

Mark Dunlea: Well I usually like to remind both voters and my opponents apparently that [inaudible 00:18:14] to the state constitution, public pensions are treated as a contractual obligation.

Mark Dunlea: So it's really the tax payers that are at risk more than the employees. I happen to be a beneficiary of the fund through my wife, as I said earlier, if the state had divested as we had asked a decade ago from fossil fuels, the pension fund would have an extra 22 billion dollars, about \$20,000.00 per member of the pension fund.

Mark Dunlea: I do agree we need a cut, the fees we're paying for outside consultants, particularly because we are following so much of the index of the fund, I do applaud Tom for divesting the state pension fund from private prison, I think that was the correct decision, I'm a little bit confused though if we can divest from private pensions, why we cannot apply the same thing to companies that are literally destroying the planet.

Mark Dunlea: The IPCC put out a report yesterday saying that we have 12 years to completely end the use of fossil fuels. When the world is saying that an industry has to end, that's not a wise financial investment to continue somewhere between \$6 to \$11 billion dollars.

Ben Max: We're going to give Comptroller DiNapoli a chance to respond on that, but anything else in your last 15 seconds, anything else about the managing the pension fund as comptroller that you want to highlight for voters? Is there any other priorities you would have?

Mark Dunlea: Well I do think, the statutory responsibilities of trying to get 8% rate of return, I understand we're about 5.7 over the last decade, I would like certainly to try to bump that up a bit.

Ben Max: Okay. Mr. Gallaudet managing the pension fund as a sole trustee, any priorities if you were elected?

Cruger G.: Well one, I don't like the concept of being a sole trustee, so I would encourage the legislature to pass some sort of act that would create maybe a board that oversees the pension fund rather than just having a sole trustee. One thing I learned at GE is nothing is sacred.

Cruger G.: GE would take a look at everything, question whether it even has a right to exist, force their managers to justify why they're doing what they're doing. So I think that would be my outlook going in, why and how and what is this pension fund, it's huge, why does one person have so much control over one chunk of money.

Ben Max: Okay, Comptroller DiNapoli, let's come back to you on divestment from fossil fuels, what has been your approach to that, anything you would do differently in another term?

Tom DiNapoli: Sure, first of all, it's kind of an overstatement to say one person is in charge of all of it. In fact, we have a very elaborate system with internal staff, external advisors, advisory committees, I can assure you, the pension fund is not managed based on what I think when I wake up in the morning and read the Wall Street Journal.

Tom DiNapoli: I agree with Mark. Climate is a serious issue, or at least of our time, it's a material risk to our portfolio. We have been a very aggressive pension fund in assessing that risk. We've been recognized by the asset owners disclosure project which evaluates how institutional investors are dealing with the climate issue.

Tom DiNapoli: We are ranked number three globally, number one in the country as investors that incorporate assessing climate risk in our portfolio decisions. So we have been very clear that we want to invest proactively in the emerging low carbon and green economy. We have a \$7 billion dollar sustainability allocation of our pension fund, we trail blazed the low emission index which I think has been a very positive contribution.

Tom DiNapoli: Climate's a big issue. And just selling stock in the fossil fuel companies is not going to solve it. A lot of New Yorkers are still driving cars with gasoline. Many people have their homes heated with natural gas or with oil. Many people in the city are on a bus that uses natural gas. A lot of transitions that have to happen.

Ben Max: Meaning it's still good investment.

Tom DiNapoli: Well, meaning that we have to go through a societal change and that for now in the short run we still are making money from the oil and gas stocks. But we want to use our voice as a shareholder to press, because corporations have to

be part of the solution. Just taking your voice away by selling all your shares is not necessarily the best way to do that.

Tom DiNapoli: We have filed and we will continue to file shareholder resolutions to hold these companies accountable. How are you assessing what your greenhouse gas emissions are? How are you reducing those emissions or eliminating those emissions? And fossil fuel companies are just part of it.

Tom DiNapoli: What about utilities, transportation, agriculture? This constant focus just on selling oil and gas stocks I think misses the broader picture of what we all have to do. On top of that we have a de carbonization panel that's been meeting, I'm waiting for their recommendations.

Tom DiNapoli: Perhaps they'll suggest there are some companies we should in fact move away from. But we want to do it in a thoughtful way. Why? We have to worry about the bottom line protecting the interests of the members, the employees, the retirees, and ultimately the taxpayers as well.

Ben Max: Okay, so we're going to move on to another of the main powers of the state comptroller, and that is the power to conduct audits, and the responsibility to conduct audits. So we're going to start with you Mr. Dunlea on this. How would you approach that? How do you think the current comptroller has done with his power to audit and what would you do differently?

Mark Dunlea: Well you're correct that the audit is a very powerful tool, I think we need to be more aggressive about examining pay to play contracts as you may know, right before we did the Buffalo Billion situation where the governors top staff person was convicted of rigging a \$750 million dollar bid.

Mark Dunlea: The Governor actually took away the power of the state comptroller to oversee those type of contracts. I think any contract given to individuals, agencies, that involve somebody who's made a campaign contribution, should receive additional scrutiny.

Mark Dunlea: One audit that I did convince Tom's staff to do was to audit the issue of wage step in the New York State Labor Department. We gladly agreed that the New York State Labor Department was not doing an adequate job, we disagree what they didn't really take the steps needed to correct the problem, a billion dollars is stolen annually from people on low wages, and yet the State Labor Department's only collecting \$22 million.

Mark Dunlea: One audit I would do based on my 28 years working at the Hunger Action Network, I would really audit local departments, social services at the county level, they routinely fail to provide benefits to people that are entitled to it. And that is why we're feeding three million people out of food pantries and soup kitchens across the state.

Ben Max: Okay. Mr. Gallaudet, the power to audit.

Cruger G.: It's obviously a very powerful tool. I'm the only auditor on the stage so I suppose that gives me the best qualifications for this job. But yeah, we can audit villages, towns, cities I believe and I think we should use it, use it carefully, don't want to become overbearing, but I would use it to reduce a scope of government. We have something like 700 authorities, why do we need all these authorities? So my primary goal would be to rationalize the government, make sense out of it, why do we have so many authorities? Why do we have so many rules and regulations? And one of the things I just want to point out here on the stage is that there's this fighting between democrats and republicans that we constantly see, beating each other up, Trump vs. Clinton, all this kind of stuff, so this is one of the ways I'm not answering your question directly, but I think the libertarian party is the most potential for becoming a major third party in this country. That's why I think voters should really look at our ticket in New York and just look at us as a national entity.

Ben Max: Okay. Mr. Trichter on the comptroller's power to audit state agencies and authorities and towns and villages and such, how would you use that power?

Jonathan T.: Yeah, I will answer that question. And first I just want to point out though, that of course Tom DiNapoli's not responsible for the Great Recession. However, he underperformed other large pension funds over the same period, including the Great Recession. So he performed worse than other pension funds. As for hedge funds, providing a hedge on the poor performance during the Great Recession, over the 11 years you've been in office Tom, your hedge fund portfolio has performed less than 1%. And they've charged you \$6 billion dollars for the privilege. So I really don't know what you're talking about when you're talking about the hedge.

Ben Max: Let's move on to the audit power please.

Jonathan T.: The broad constitutional authority of the state comptroller to audit every state agency, every state entity and every public authority is tremendous. It's also one of the more powerful roles of the office. It is the comptroller's responsibility for instance to audit the MTA, yet what we know about the major problems at the MTA are due to one reporter at The New York Times, one policy analyst at The Manhattan Institute and one policy analyst at the CBC. All that we know about the signal problems, the infrastructure crumbling, high labor costs and also the shift from maintenance and good repair work to these mega projects that do nothing to serve current consumers of the subway system and have basically come at the expense of state of good repair work, the crumbling subways. All of that we know from the New York Times, CBC and Amand. None of that we know from DiNapoli, who has audited the MTA 61 times and found none of the major problems that are wrong with the MTA. He is the one Albany politician responsible for finding out what's wrong with our infrastructure at the MTA before things start to break.

Ben Max: K. Comptroller DiNapoli, first if you want to respond on the MTA but also...

Tom DiNapoli: Well there's so much of what John says, yeah, so much of what John says is plain wrong and there's not the time in this format to answer all of his crazy notions. So we don't spend six billion dollars on hedge fund fees, that's just a minor point.

Tom DiNapoli: The audit power is a very important part of the responsibility and we have a professional audit team. Our auditors are civil service people, they're CPA's, they're trained auditors, they have professional credentials that they have to adhere to, they're peer reviewed. They work with me and I appreciate Mark's acknowledging some of our audit work and we appreciated your suggestion on some of that work. And they look for high risk areas, certainly in terms of Medicaid where we've had significant opportunities for cost recovery and saving.

Tom DiNapoli: MTA, just read the audits. We put them online. That issue of signals, we identified that in 2016, before New York Times or anybody else was writing about that. So, the MTA is another very important high impact area. We have a number of audits under way now, we want to do more there. With the authorities though just as would state agencies, the ultimate responsibility would be with the authorities, with the board members who are appointed to be the leaders, with the state agencies, with the commissioners and with the executive departments. The strength of our audits is the credibility of the work that we do. And many cases we've effectuated change, in many cases when you read the response to our audits, an agency will say, well we're already doing that. Well they're doing that because we knocked on the door and we came in and we started looking. We've saved taxpayers money through our audit work and local governments were very often the only entity out there providing that independent review on local finances.

Ben Max: Reading through, just a quick follow-up, reading through a lot of the audits that your office has done. It seems as though, and this can of course be valuable, but a lot of them take a look at small pieces of an agency or a program. Is there room for doing more broad audits of, for instance, the MTA, more broadly but also of a state agency?

Tom DiNapoli: Well particularly with MTA we've done about 30 reports which take the board a look, financial condition reports. That do look at the big issues and the big questions and those reports over the years have repeatedly pointed out the need for the various funding partners to step up to the plate.

Tom DiNapoli: The inadequacy of the funding for The Capitol Program. We have taken that big view and right now we have a number of audits under way with the MTA because everybody understands, it is at a crisis point and it is at a point where everyone is focused. But certainly going in to next year's session, one of the biggest pieces is the legislature has to work together with the Governor, come

up with additional revenue stream, that is essential. And we will continue our audits to see that the MTA keeps on track with this. So we action plan with a fast forward planned but so much of it gets back to having the money to do the proper repairs and re-investment in the infrastructure. We've been sounding the alarm on that for years, if it's not always listened to, well maybe it's time people looked at our reports that go back over the past decade and see that we've been tracking, very carefully, the gaps in the MTA as we do with other state agencies and other public authorities.

Ben Max: So moving on to our next question in other major responsibility of the role. We're actually coming to start with you again here, Comptroller DiNapoli, after this question we will move into our cross examination round. So you can prepare your question for one of your opponents then. But first, one more question on the role of the comptroller, and we start with you Comptroller DiNapoli, budget oversight and evaluating the state budget, how have you approached that? How would you approach it differently in another term? And have you done enough to keep state finances and the state budget process where it should be, is there enough transparency? Have you looked at the issued of debt and the lack of savings in a way that has helped the state's fiscal picture?

Tom DiNapoli: Well you have mentioned several topics we've sounded the alarm on. Ultimately though the budget is passed by the legislature and approved by the governor. After being initially proposed by the governor. So, our role is one of lending a voice and what we've tried to do with our budget reports and what we'll continue to do is not only focus on the short term but on the long term. And that's where we see concern.

Tom DiNapoli: Out year budget gaps approaching 18 billion dollars over the next few years, not putting enough money aside for our rainy day funds has been an issue that we've identified over the past three or four years particularly. Heavy reliance on lump sum appropriations without any clear definition of how the money is going to be spent. But, we have our voice and I think it's been a strong voice and a number of legislators have echoed the concerns we've identified. But ultimately it is the responsibility of the legislature and the governor to make sure that these issues are addressed. We're gonna continue to be aggressive with our voice and I hope that that will result in some more changes. We have specific proposals on reforming debt in the states, some of which require statutory changes, some of which require constitutional changes. We're gonna continue to sound the alarm. We have the Billy Pulpit, we're gonna continue to use that ultimately much of this rests with the legislature and the governor.

Ben Max: Okay. Mr. Dunlea, how would you approach the budget oversight role of the comptroller?

Mark Dunlea: I would be more aggressive on the budget oversight. There's so many number reforms, with respect to clean, contract in oversight of the authority, some of which Tom has proposed but really need to be enacted.

Mark Dunlea: I would use the certification power of pass a little bit more aggressively. One concern is the state keeps on passing state budgets that fail to comply with existing court orders on a level of finance and for schools particularly in low income, in rural communities. I think the comptroller's office should talk more about tax fairness, one of the things I asked the comptroller's office to do was examine how much money the state would save if we went to a state single pairs system. The state comptroller's responsible for monitoring the tax gap, I oppose the tax gap. I think we should go back to Section 54 of the State Finance Law, which shares 8% of the state revenues with local government. I think that would be a lot more effective in terms we do some local property taxes and increase in the fiscal health. A lot of the towns and cities in the state are on fiscal stress and we gotta really crack down on the authorities. The authorities are out of control. I think it's 56 billion dollars of debt they've incurred, largely in my opinion in circumvention of the state constitution.

Ben Max: Okay, Mr. Gallaudet, the budget oversight powers of the roll, how would you approach those?

Cruger G.: I guess I would like to say that any viewer who is tuning in right now and their eyes are glazing over at all the intricate details we're going over. Consider the current system of this duopoly called the Democrats and the Republicans. They battle each other, we've got one pit bull over here, we got the existing comptroller defending himself, that I see is what is broken about our government. Both on the state level and the national level so if you want to end the duopoly, consider Libertarians. I think we are the one party that has a chance becoming a major third party. In New York...

Ben Max: Okay, I think we've heard that message.

Cruger G.: No, no I want to continue. Google Larry Sharp, he's running for the governor position, he is the head of our ticket, if you really wanna get in depth on what our views are and I'll comment further on it.

Ben Max: okay, thank you. And Mr. Trichter on the budget oversight powers?

Jonathan T.: So, just to be clear, the comptroller has paid six billion dollars to hedge fund managers and private equity fund manager over the course of his ten year. That is an empirical fact and I calculated it. He spent one billion or paid one billion to them just in fiscal year 2018.

Jonathan T.: On the budget certification power, I mentioned when I started that this office is tremendously powerful and under utilized. One particular area is in budget certification. It's the comptroller's, within the comptroller's authority to refuse

certifying the budget each and every year. And I would use the refusal to certification as leverage, to negotiate a much better budget and fix the dysfunctional budget process that we currently have, which are three men in a room. I would force my way into the room, make it four men. Better than that, I would open up the process to public view, using the leverage of certification. The budget is notoriously an awful document, the big ugly, they call it.

Jonathan T.: In 2019 it included a three million dollar expenditure for a golf tournament, it included one hundred thousand dollars for tourism to the impoverished New York locality known as East Hampton. Guess what? This comptroller certified the budget. In 2016 it was so late it landed on law makers desks in the wee hours of the morning and the comptroller himself said it's too late for us to analyze. Guess what? He certified it anyway. In 2014, it included so much pork it was called the porkiest juice pork thing budget that was ever passed since The Great Recession, it included 750 million dollars in pork that was unaccounted for. This comptroller pointed that out and then he certified it anyway.

Jonathan T.: I would refuse to certify any budget like that, I would take my pen and go home. I have a much more robust view of how to use this office.

Ben Max: K, coming to you comptroller.

Tom DiNapoli: The Saudi Prince. He's making things up as he goes along. The comptroller has no authority to certify the budget, there is no statutory constitutional authority for us to do that. You can't make up law, there is no certification of the state budget.

Jonathan T.: Section one, article five of the state constitution.

Tom DiNapoli: The only thing that we do is that we verify that the appropriation bills, which newfound Republican friends have passed as well, that they have been enacted so that government can continue. And that's tied to the issue of the reform of if the budget bills aren't passed, the legislatures don't get paid. It's not a certification the budget, it is not approving expenditures, that is the responsibility of the legislature and the governor. And if you're gonna try to assert an authority that you don't have, well all you're gonna do is gum up the works and create more gridlock than we have already, you're gonna end up in court, there is no certification [crosstalk 00:37:10] for the state comptroller.

Jonathan T.: Yeah, your state [crosstalk 00:37:11] in 1971...

Ben Max: Okay, so....

Jonathan T.: Posner versus Levin...

Ben Max: This is actually, you're gonna have an opportunity to ask one of your opponents a question. We're gonna keep the question short, not speeches and then a

question so I'll jump in if I need to but we're actually gonna start with you Mr. Gallaudet with the opportunity to ask one of your opponents a brief question and then we'll keep the answers. We're not gonna go back and forth, we'll keep the answers brief but it's your opportunity to raise something perhaps that has not been raised yet in our debate.

Cruger G.: Okay, I guess I would ask the Republican candidate, how do you justify anybody voting for you? We all know that Mr. DiNapoli's gonna win this race. The polls, I'm not saying the fate are complete but pretty dead certain. Why should the voter waste their vote on the Republican party? Especially in New York, my suggestion would be vote Libertarian.

Ben Max: Okay, question you Mr. Trichter.

Jonathan T.: Because I'm a professional, I'm not rotting as an ideal lag or a party guy, I'm running as a guy with the right private sector skills for the job. I also think they should vote for me because this comptroller has used the powers of the office to protect the status quo fiscally which we've discussed a little bit today. But also, culturally. He's brought the powers of the office to bare to protect his friends and his allies who voted him into office over the objection of every editorial board in New York State in ways that are problematic and I will save one of those ways for my question for the Comptroller DiNapoli when it's my turn.

Ben Max: It is your turn.

Jonathan T.: Mr. Comptroller, in 2011 your close friend and political ally [inaudible 00:38:40] Vito Lopez, sexually harassed two female staffers. Your office helped negotiate a secret settlement with those staffers that included a gag order over the objections of the victims and then you used tax payer dollars as hush money to cover up that harassment. That allowed your close friend..

Ben Max: Ask the question please.

Jonathan T.: And political ally, Vito Lopez, to continue hiring female staffers and harass them. This all blew up and there were two...

Ben Max: Ask the question please.

Jonathan T.: Investigations...

Ben Max: Ask the question please.

Jonathan T.: And your office was found culpable for much of this. You have never apologized Mr. Comptroller, will you apologize now for any role in that cover-up?

Ben Max: Comptroller DiNapoli.

Tom DiNapoli: Well, the question again is full of all kinds of inaccuracies which is the consistent pattern of Jonathan Trichter. My office was not involved in the negotiation of that settlement, our office plays the role of payments, we do about 145,000 payments a day and it was entered into the electronic payment system.

Tom DiNapoli: Our office was consulted for any tax consequences that would come out of that but our role is a very minor role in payments of any settlements and there are many that happen on a regular basis for the state. In the aftermath of what happened, and look let's not lose sight, women were victimized, they were entitled to some justice and entitled to compensation. That was the agreement, we made sure that they were paid, there was no secret payment, we have no secret payments, all payments are public.

Tom DiNapoli: And in the aftermath of what happened with the Lopez situation we did institute changes, more transparency, more accountability, requiring any agency not just the legislature, if there is a settlement involving an elected state official, that had to be duly noted, a more clear certification by whatever entity legislature or a state agency. That in fact, there was a complete review that it was a legal process and of course we've all evolved governmentally on this issue, we now have the New York State a new sexual harassment statute requiring broad compliance with public entities, with private entities as well.

Tom DiNapoli: So that question just overloads misinformation, misstatement of facts about my offices role in that matter and I think the changes that we instituted in the aftermath of the Lopez case were positive and responsive. We all need to create a workplace that is free of sexual harassment.

Ben Max: It is your turn to ask a question of one of your opponents.

Tom DiNapoli: I feel, Mr. Gallaudet, I'm glad he's here at the debate he's gotten the least attention in this campaign of all of us. And I'd like to just give you the chance to speak a little bit more about your vision for the office and why you're running. 'Cause I don't think you've gotten enough attention from the press or the broader public so, just an opened ended...make your pitch.

Ben Max: Maybe by mentioning that Mr. DiNapoli was a near guaranteed to win, you earned yourself a few more seconds here to discuss your campaign.

Cruger G.: Well, that's part of the problem, he is almost guaranteed to win in the state of New York because it is so Democrat influenced. Voters typically vote Democrat. So, yeah, no I, as I said, I'm here to promote the Libertarian ticket overall. And again I think the reason is that we want to end this duopoly of this constant bickering back and forth, it's just what government has been reduced to. I think the people are sick of it, the last election, the Presidential Election, we almost, there was certainly a call for another candidate that could rise and challenge Trump and Clinton who nobody seemed to like. And again I would say; one, google Larry Sharp, I think he's a man that's going places, two, think about your

vote, carefully vote. What are you really trying to accomplish? How can you best vote to achieve change? And again, I would argue that, especially in the state of New York, if you vote Libertarian, you will have more chance of affecting change than if you voted say, Republican or Independent or even the green party.

Ben Max: Okay. And Mr. Dunlea, your opportunity to ask an opponent a question.

Mark Dunlea: So I have a question for Tom. Vicki Fuller who is the chief investment officer of the comptroller's office, recently left and took a position on the board of the Williams Company and a number of the climate change [inaudible 00:42:50] are quite concerned about the appearance of a conflict of interest and I know that they have filed a request for investigation of [inaudible 00:42:57] which probably [inaudible 00:42:59].

Ben Max: Your question please.

Mark Dunlea: So, the question is, how do you take steps in the future to provide a level of comfort to tax payers that we don't have people in those positions which may in fact be looking for a golden parachute on their exit based on their work as a chief investment officer?

Tom DiNapoli: Well, we're 209 billion funders you know. We're invested in virtually every public company that's out there. So, had Ms. Fuller retired and decided to flip hamburgers at McDonald's would that had been a conflict because we have McDonald's stock. So, I think you have to look at some of this in the context of reality. Ms. Fuller announced that she was retiring and leaving the system. As such, she is entitled to live her own life. She is though, bound by the ethics requirement, so there's a two year bar on her doing any business with the fund, I don't know that as a board of director member that she would have any business with the fund anyway. But, she's covered by that as well. She's an experienced investor, she's an African American woman, that's a category very underrepresented on corporate boards. Probably no surprise that when she announced her retirement there would be some boards would be interested in her service. There may be more boards down the road, but that is her life, those are her choices. The investment decisions that were made in the past were made on the merits of the investment decisions, not based on any expectation of future employment.

Ben Max: Do you have any sense, just to quickly follow up on that, it's obviously been in the news a bit, do you have any sense that she had direct involvement in choosing to buy debt of the company that she then joined the board of directors.

Tom DiNapoli: As I understood, the debt purchase was in 2015, it was three years before so I don't know if people are making the allegation that the fixed income group that made the recommendation to do that. It didn't come from Vicki, that the fact that that happened was somehow tied to Vicki getting a board appointment

three years later, if that's what people are alleging there might be some facts that they need to report to the proper authorities. But to just create a conspiracy theory, putting all that together, most of the investments in that company were through the index funds. Passive. They were there before Vicki came there, they're there now that she's left. So this notion that she was directing investment to this company, I think it's an overstatement of the reality, as chief investment officer she obviously presides over the entire fund. But that doesn't mean that she was directing these investments so that she would get a board position years later.

Ben Max: Okay. So we're through the cross examination round, we've got a few more questions in a lightning round of questions before we go to closing statements. But a couple more questions on the role of the comptroller and state finances. And we're gonna start with you here, Mr. Dunlea. The state has tens of billions of dollars of outstanding debt, hundreds of billions of who include authority debt that has been accrued and there are also post employment benefit debts, OPEB debt that increases that amount that are not necessarily covered or prepared for. What would you do about the positioning of debt around the state if you're elected comptroller?

Mark Dunlea: Well I'd say setirally I've been very opposed to the level of debt that the state has incurred. There's a state constitution requirement that debt incurred by the state's supposed to be approved by the taxpayers and under Robert Moses we came up at this legal fiction of authorities to circumvent that as I mentioned when Erastus Corning who is mayor of the city of Albany basically built the Empire State Plaza and leased it to Rockefeller to circumvent that debt [inaudible 00:46:29] which I helped start and was on the board, sue them on that. How you now curbed that level of debt and cut it back is a big challenge. Us who need to stop incurring debt, I think we have to reign in the authorities, there's been a lot of legislation that's been introduced to make the authorities more transparent. They need to really begin to follow the rules that other state agencies occur. There's a [inaudible 00:46:54] management company, a non-profit that is being used to circumvent even the limit of restrictions on the authorities. But I think we have to really cut back on debt, how best you do that, that's why I got 2700 employees gonna be working on that once I'm elected.

Ben Max: Okay, Mr. Gallaudet.

Cruger G.: I have no silver bullet, no easy answers on how to tackle this issue. What I can guarantee you is that if you continue to vote for either a Democrat or a Republican, nothing will change. Nothing. Again it's why I suggest you look at the Libertarian ticket as a way to create a third party that'll challenge the duopoly that we have in the state and the country.

Ben Max: Okay, Mr. Trichter on this issue of debt, what would you do to either reign it in or make systemic adjustments?

Jonathan T.: Yeah, I do have a silver bullet or a magic solution to all of this. This office is tremendously powerful, in 2017 the comptroller issued a debt report where he claimed a crushing debt burden on a process called Back Door Borrowing. Well it turns out, what he didn't report was that the comptroller himself has to sign off on most backdoor borrowing in your state. And I know this because as a public finance banker when I was underwriting bonds, we had to get sign off whenever we did bond deals or they wouldn't close, and we had to get the sign off from the comptroller's office.

Jonathan T.: The comptroller has signed off on 32 billion dollars on backdoor debts since he's been in office in 2007 and if he refused to sign off on back door debt, he could unilaterally end the process once and for all. And institute his own debt policy, this is something he absolutely has the authority to do. Good government groups, policy wonks have been wrestling their hands and scratching their heads on how to fix this problem for decades. The comptroller himself shares the goal, he recommended a constitutional amendment to end back door debt. I'm telling you, he could do it himself, if he just refuses to sign off on the debt deals.

Ben Max: So I've heard you have the difference of opinion on this. We're gonna move to you, Comptroller DiNapoli. If you want to explain, Mr. Trichter actually seems to have put your idea forward in terms of that you think it needs a constitutional amendment, but if you want to capture that a little bit further and then talk about in another term what you might push or do about the state debt.

Tom DiNapoli: Sure, well I'm glad we have an area of agreement. Again, you can't create authority or powers that you don't have. So, we do have the opportunity for some of the debt, for negotiated debt sales, ones that are competitively arranged for...

Jonathan T.: 32 billion in negotiations that you signed off on..

Tom DiNapoli: Do not go through our office, with a negotiated debt...

Jonathan T.: 32 billion.

Tom DiNapoli: We in fact do push back on terms and conditions, we've done that...

Jonathan T.: Signed off on 32 billion dollars.

Ben Max: Mr. Trichter. Please, please.

Tom DiNapoli: Can I continue?

Ben Max: Go ahead.

Tom DiNapoli: Thank you. We've done that with MTA debt, we've done that with [inaudible 00:49:31] debt, we've done that with various public authority debt across the

state. And we have in fact gotten better terms that benefit tax payers and result in a more responsible management of debt. But again, it is not our authority nor should it be our role to just stop the debt that happens in the state. We're concerned about the Subways and MTA Infrastructure Investment, are we just gonna stop the construction projects because we wanna make a point about too much debt, no. We have a limited role but it's a role that we've exercised very fully and I would like to see a constitutional prohibition on backdoor borrowing. I agree with Mark. It really should go back to I think the implication of what you were saying is that we should go back to the voters improving the debt. That really is the ultimate check on having too much debt, we've sounded the alarm in that repeatedly, we've argued for stopping the backdoor borrowing by changing the laws in the state in the constitution and returning to voter approved debt.

Ben Max: And when you say you have pushed back on some of the debt that's been issued, can you give an example of that? Something specific.

Tom DiNapoli: MTA debt, we issued a report in 2010 that had three or four specific examples. MTA and a couple other authorities. 2014, 2015, 2016, that's all part of the process. We don't just rubber stamp what comes before us, our staff reviews the terms and conditions and we push back on the term, on making sure there's a smarter management that will benefit tax payers, we don't like long duration, we like a level debt payment structure. We're always pushing back on that and we've had a number of successes. But we don't approach it by stopping and saying no, you can't do any debt because we understand that they're very often important purposes that are behind that debt but we need to restructure the whole way we look at it. I'm glad you mentioned OPEB, we pushed for the state to set up the opportunity for an OPEB trust of the post employment benefits...

Ben Max: Ten seconds please.

Tom DiNapoli: We don't do a good job of that in the state, we now have the opportunity. The legislature needs to appropriate money to that as New York City has done, that is a big cost item that's looming as part of our financial risk down the road.

Ben Max: So before we move into a quick lightning round and then closing statements the last more substantive question is related to the federal tax reforms and what New York should or should not do. If you have an idea from the perch of comptroller, if you ascend to that position or you keep that position, are there things that New York should be doing in relation to the federal tax reforms that were passed at the end of 2017 into this year that New York finances are of concern to many tax payers. Mr. Trichter, what's that mean?

Jonathan T.: Yeah, so I try to stick to the role of the comptroller when it comes to running for this office and I've tried to be substantive and stay away from issues that are outside of my lane and that's one issue that's potentially outside of my lane and so I haven't really discussed it. I could tell you a little bit about it but, or I can

talk to you about it from a personal level, but first let me also just target something that the comptroller said about his oversight and review role of MTA debt which he stressed in his answer when I pointed out that he has the authority to unilaterally end backdoor borrowing.

Jonathan T.: He pointed out that he reviews the terms of the debt so the New York Times discovered that the MTA was paying a fee to the state whenever it issued debt. Over 325, it was about 328 million dollars worth over the course of the times the Times discovered. The state was basically milking the MTA of funds that it could have used for infrastructure maintenance to prevent the crumbling assets that it currently has. Indeed the comptroller reviewed all of that debt and he never noticed that fee when the division of budget was told about it or when it was discovered, the governor and the division of budget was embarrassed and they said they would stop it. DiNapoli signed off on all of those debt deals and he, according to his own words, reviewed all of the fees and the structures connected to that debt.

Ben Max: Okay, I'm gonna give you a chance to answer that and then we can move into your thoughts on tax reform.

Tom DiNapoli: Sure, there he goes again. To quote someone, it's a statutory thing, it's statutory. We pointed out that that's an issue and suggested that there be changes in statute but you can't make your own laws John as you go along...

Jonathan T.: You can unilaterally refuse to sign off, you could have pointed it out. The New York Times discovered it Tom, not you.

Tom DiNapoli: It's a statutory requirement. We follow laws.

Ben Max: We're not gonna go back and forth.

Tom DiNapoli: We follow the laws of the state, that's the important role of being the comptroller.

Jonathan T.: There's no law that prevents you...

Ben Max: So why don't you move into any thoughts you have about what the state might need to do on tax reform.

Tom DiNapoli: I give the government legislature credit for trying to come up with some options to have people setting up these childhood trusts as a way to pay for education and healthcare costs. There's a way to get around the cap on state local tax deductibility. The obvious problem is the IRS has poured cold water on that. So I think that it is an area that we have to continue to look at if there are other ways, I mean certainly in the short run it means for government at every level, gonna have to work even harder to control costs because some of the benefit that we had with the deductibility is now capped at ten thousand dollars.

Tom DiNapoli: So, I think it makes our audit work even more important and I think the other thing we have to do is really, and it's too soon to tell, what would be the impact on tax payers in New York? Will we in fact see a flight out of the state because of this. I know many people concerned about the higher income New Yorkers that pay a higher proportion of the state income tax. I'm also worried about the middle class families. The folks that don't have that second home in Florida they could switch their address to. I live on Long Island, ten thousand dollars in property taxes alone is a modest property tax bill. So there are implications of the federal taxes that are very concerting in the short run and the long run, if they're gonna cut federal programs to pay for that tax cut. New York is gonna be hurt again.

Ben Max: Okay. Mr. Dunlea.

Mark Dunlea: I admit to be pretty skeptical about the value these charitable trusts that the governor talked about and what in fact, who would benefit from them. I happened to be the press secretary for Howie Hawkins who's a Green Party candidate for governor, we have certainly articulated that since this huge tax cut was supposed to result in higher wages for workers and reinvestment in businesses and that has not occurred. We have supported trying to recapture say, ten billion dollars of that tax giveaway and reinvest that in New York like was supposed to be done. One tax issue that I have been supportive of, I should have mentioned earlier, is the carbon tax. It'd be best done at a federal level but basically hold corporate polluters responsible for the damage caused by burning fossil fuels and climate change. If this federal government's unlikely to do that I support enact of a state carbon tax.

Ben Max: Okay and Mr. Gallaudet.

Cruger G.: One area I might agree on with the Green Party I for one would like to get rid of the income tax in New York State, I'd like to get rid of the federal income tax, a tax on income is a tax on productivity. It's one of the dumbest ideas man has ever come up with. But that being said, that's one of our Libertarian principles. If you have to tax something, tax something you don't want. You don't want to have [inaudible 00:56:11] carbon, so I've been a long advocate of replacing say a corporate income tax with a corporate carbon tax. Get rid of the income tax on individuals, we don't need it, it's intrusive. In fact I have an October 15th deadline right now, this week I'm spending just about the whole week getting this tax thing done. So that would be my answer.

Ben Max: Okay, we're gonna move into just a few quick yes or no questions and then closing statements. We're gonna start with you for the first question and change it up a bit. Comptroller DiNapoli, so yes or no or very very short answer to these questions. The state so-called millionaire's tax that's set to expire I believe next year, should it stay and should it be raised additionally as some are calling for?

Tom DiNapoli: Well we need the revenue, it's up to the legislation to decide it so in the absence of other revenue my expectation would be it would probably be extended.

Ben Max: Mr. Dunlea.

Mark Dunlea: Increase it, raise it.

Ben Max: Mr. Gallaudet. We heard your take on taxes yes...

Cruger G.: We need the revenue. This is with the same old times, again, if you want things to stay the same vote for the Dems and Repubs.

Ben Max: Understood, Mr. Trichter.

Jonathan T.: No, we already rely on personal income tax way too much, forty percent of the personal income tax comes through the millionaires, the are very mobile people. They can move to Florida.

Ben Max: Let it expire. Okay, Mr. Dunlea, starting with you. Should the statewide minimum wage be fifteen dollars per hour?

Mark Dunlea: Twenty dollars.

Ben Max: Okay, Mr Gallaudet.

Cruger G.: In principal I'm against minimum wage laws but practically, yeah. Maybe somewhere between the fifteen and twenty dollars.

Ben Max: Okay, Mr. Trichter.

Jonathan T.: No, it's hurting upstate farmers, it hurts fast food industries, I'm a free markets guy.

Ben Max: Okay. Mr. DiNapoli.

Tom DiNapoli: Yes.

Ben Max: Okay, starting with you, Mr. Gallaudet. Do you believe there should be a congestion pricing scheme put into place for New York City?

Cruger G.: I'm not totally against it. I'd have to look at the details.

Ben Max: Okay, Mr. Trichter.

Jonathan T.: Ben, really the comptroller's got a lot of powers and you're asking lightning questions that have nothing to do with the comptroller's office.

Ben Max: I think these are issues that some voters might want to know, related to finances.

Jonathan T.: I'm running for New York State Comptroller. It has no relation to the office.

Ben Max: Okay, no answer on that. Okay. Comptroller DiNapoli?

Tom DiNapoli: It's probably the most likely solution to the question of what will be the additional revenue source for the MTA, again that's for others to decide that, not the comptroller. But, we need something and that seems to be the one with the board of support.

Ben Max: Okay, Mr. Dunlea.

Mark Dunlea: Yes, with the possible exception, reduction for zero emission vehicles.

Ben Max: Okay, and starting with you Mr. Trichter. Should the so called LLC loophole in campaign finance be closed?

Jonathan T.: Yes, along with exceptions for public sector labor entities and plaintiffs attorneys securities class action plan [crosstalk 00:58:46].

Ben Max: Comptroller DiNapoli.

Tom DiNapoli: Yes, we need public financing of campaigns to level the playing field and have more competition.

Ben Max: Mr. Dunlea?

Mark Dunlea: Yes, we need clean money elections based on the Arizona and main model, full public financing.

Ben Max: Mr. Gallaudet.

Cruger G.: Yes.

Ben Max: Starting with you Comptroller DiNapoli. Should the state pass single payer healthcare system?

Tom DiNapoli: Better done at the federal level, but yes.

Ben Max: Mr. Dunlea?

Mark Dunlea: Yes.

Ben Max: Mr. Gallaudet?

Cruger G.: Possibly.

Ben Max: Mr. Trichter.

Jonathan T.: We'd require raising the top income tax bracket in New York State to 27.5%. It would kill New York State.

Ben Max: I'll take that as a no.

Ben Max: Mr. Dunlea, last couple here. Should there be public hearings in Albany related to sexual harassment both in government and the private sector?

Mark Dunlea: Yes.

Ben Max: Mr. Gallaudet.

Cruger G.: I'm not sure.

Ben Max: Mr. Trichter.

Jonathan T.: Sorry, I'm still stuck on the single payer healthcare system in New York State. It's just an economic disaster for New York. What was the question, Ben?

Ben Max: The question is, do you think there should be public hearings as some advocates and former victims have called for around sexual harassment in state government and the private sector?

Jonathan T.: I'm sorry I missed that. I also think we should go after politicians who covered up episodes of sexual harassment.

Ben Max: Yes to hearings?

Jonathan T.: Yes.

Ben Max: Comptroller DiNapoli.

Tom DiNapoli: Well we have the new law now so I think as a follow up to that new law, hearings would make sense to see how it's being complied with.

Ben Max: Okay, and last two, Mr. Dunlea starting with you. Should the state continue the ban on fracking and add to it a ban on fracking infrastructure? I think we know where you stand on this, but give you a chance to answer.

Mark Dunlea: Yes, and not spend eighty eight million dollars of tax dollars to build a frack [inaudible 01:00:24] turbine for [inaudible 01:00:26].

Ben Max: Mr. Gallaudet.

Cruger G.: No.

Ben Max: Ms. Trichter.

Jonathan T.: We should be allowed to frack just like Pennsylvania, the southern tier is hurting economically.

Ben Max: Comptroller DiNapoli.

Tom DiNapoli: Again, that's [inaudible 01:00:36] to decide but my own personal opinion would be yes, continue the ban on fracking.

Ben Max: Okay, and last one starting with you Mr. Gallaudet. Should the joint commission on public ethics, a state ethics watch dog, should that entity be scrapped in favor of something brand new that's more independent from the governor and the legislature?

Cruger G.: I have no thoughts on that.

Ben Max: No thoughts on that. Mr. Trichter.

Jonathan T.: Yes.

Ben Max: Comptroller DiNapoli

Tom DiNapoli: Yes.

Ben Max: And Mr. Dunlea.

Mark Dunlea: Yes.

Ben Max: Okay, so we're gonna move into closing statements. We're gonna start with you Mr. Trichter and actually work toward my left here. You have a minute to talk to voters and give them your push for why they should vote for you on November 6th.

Jonathan T.: Thanks, Ben. So I've tried to run for comptroller based on substance, not party, not ideology. And I just find it challenging when I put forth data and substance of ideas and facts that the current comptroller is able to basically call lies. It's just not true and I just don't know where to begin.

Jonathan T.: For one thing, he says budget certification isn't a responsibility of the comptroller, in fact the New York State Supreme Court ruled 1971, Pozzner vs Levin, that the comptroller may have standing to test the validity of state budgets but is not obligated to do so. Now I seize on the first part of that ruling, which says the comptroller may have standing to test the validity of the state budget and I would. I would take my pen and go home. I would litigate it and I

would test it. This comptroller takes the second part of that ruling, he's not obligated to do so and prefers to basically duck and cover.

Jonathan T.: Well, the office of the state comptroller is the chief fiscal officer and top watch dog. Yes, I'm a bit of a pit bull. Yes, I would bark. That's what the job calls for. It calls for bringing accountability and scrutiny, an independent outsider to all of what's wrong in Albany. It can single handedly fix so many of the vexing fiscal problems of New York State if it had somebody willing to disrupt the status quo for the good and ordinary New Yorkers. That's how I would approach the office, and it's very different from how this comptroller has run the office.

Ben Max: Thank you, Mr. Gallaudet coming to you for a closing statement.

Cruger G.: Yes, again my general theme here is to vote carefully. Don't waste your vote. The state of New York is a place where I think a vibrant third party would be a huge asset, not only to the state but to the nation. One of the reasons I sort of got back into politics is the last election, the Libertarian Party got 3.6% of the national vote in the Presidential Election. If we had gotten 5% that would have given us third party status according to the government, federal government.

Cruger G.: We would have received funds once we hit third, not that I'm in favor of government doling out funds to parties but we'll take what we can get. New York single handedly could have pushed that vote over 5% if people in New York, instead of voting Independent and voting Republican, they thought about it, that's a waste. Especially in the Presidential Election. So, I'm asking people to carefully consider where they place their vote. If they vote Independent or if they vote for the Republican, most likely going to lose. The vote for the Democrat, they're gonna vote for the Democrat anyway but if you're on the fence, consider carefully the strategy of ending the duopoly in New York and in the country.

Ben Max: Thank you. Mr. Dunlea.

Mark Dunlea: I'm Mark Dunlea and I'm the Green Party candidate for State Comptroller. I've spent 45 years of my life fighting for open government, more transparency, more responsible treatment of our tax dollars. I think I can do a good job as a State Comptroller. But I'm running on the issue of the best in the state pension funds from fossil fuels. I do think we need a green to watch the greens. One of the big criticisms of Tom is that he's the nicest guy in Albany and that may not be what we need in terms of trying to crack down on the corruption. When the New York Times devote an entire edition of their magazine to the proposition that the world is doomed because we lack the political will to move to 100% clean energy as rapidly as possible and to stop fossil fuels, we need all hands on deck. Divesting is a very small, simple step but if Tom DiNapoli does that, he's gonna be a world class hero on climate change and if I convince him during this campaign to divest then my campaign will have been successful.

Ben Max: Thank you, and Comptroller DiNapoli your closing statement.

Tom DiNapoli: I'm very proud to already be a world class hero in terms of how our pension fund deals with the climate issue and if a reputation of being nice means that I treat people with respect and with openness, I'll take that. That's how I was raised and I'm too old to change.

Tom DiNapoli: I'm very proud of the work that I've done in State Comptroller for the past, I guess going on 12 years now. I inherited an office that was mired in scandal, unfortunately my predecessor ended up in prison, I have to restore the integrity and the value of the office and then we were faced with the Global Financial Crisis in the Great Recession. Well I've navigated through tough times. I've used the bully pulpit of this office to call for important reforms on state spending, fiscal and budget practices. I have used the order of authority to look out for the tax payer interest at the state level and the local level. And the 1.1 million New Yorkers and their families who depend on the strength of our pension fund can rest easy at night because we have a 98% funded pension plan. And we're doing smart things with our investments, we're a very active and engaged shareholder moving corporations to do the right thing. There's a lot of work to do in New York, including returning your lost money through unclaimed funds.

Tom DiNapoli: But I have a record that I'm very, very proud of. I have a team of professionals that do the job each and every day with a great deal of belief in the mission of the comptroller's office, very proud to be running on five lines; Democrat, working families, Independents, the Reform Party and the Women's Equality Party. I have that kind of support and a lot of editorial support as well. I think by election day, because I'm doing the job in the right way. A lot of folks have come and gone over the past few years, Tom DiNapoli continues to be on the job. My only boss, the people of the State of New York. I hope I've earned your vote once again.

Ben Max: Thank you and thank you all for being here and participating in this debate today.