



NEWS RELEASE

Office of the Inspector General Ellen Biben

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Former Deputy Commissioner Coerced Subordinates and Improperly Steered \$100,000 State Contract to a Not-for-Profit Where His Wife Worked

State Inspector General Ellen Biben today released an investigative report that found Jeremiah “Jerry” Cosgrove, a former deputy commissioner of the state Department of Agriculture and Markets, manipulated a state ethics panel and coerced subordinates during a tenure that culminated with conflict-laden dealings with a not-for-profit that employed his wife.

According to the report, Cosgrove threatened his subordinates that “heads are going to roll” after the New York Agricultural Land Trust (NYALT) initially failed to win a \$100,000 state grant in 2009. That grant would have helped NYALT pay Cosgrove’s wife, Judith Anderson, for consulting work she provided on farmland preservation programs administered by Cosgrove.

Following his alleged threats, state officials working for Cosgrove changed an internal review process and also increased state funding in order for NYALT to qualify for the \$100,000 grant. The grant program was suspended by Agriculture and Markets in late 2010 when the Inspector General’s office launched an investigation, and Cosgrove was terminated for his actions.

“As a deputy commissioner, he had an obligation to avoid conflicts or even the appearance of a conflict. He clearly ran afoul of this obligation,” said Inspector General Biben.

NYALT’s proposal for a Land Trust Grant in 2009 was originally scored too low for NYALT to qualify for a grant. According to the investigation, Agriculture and Markets employees said Cosgrove angrily berated them for “low-balling” NYALT’s score. When one manager noted the poor quality of NYALT’s application, Cosgrove demanded that NYALT’s application be funded, stating: “I don’t care what it says, I want them funded,” the manager told the Inspector General’s office.

The manager also stated that Cosgrove’s “face was beet red and he was very angry,” and that Cosgrove threatened “heads are going to roll” unless changes were made for NYALT to win immediate funding. Much of that funding related directly to the kind

of consulting work Anderson performed for NYALT.

In response, Cosgrove's subordinates added two additional scorers to the evaluation process, even though this violated Agriculture and Market's policies. In the second round of scoring, NYALT's new score barely made them eligible for the Land Trust Grant (NYALT scored 70.8, slightly above the 70 needed to qualify for state funding.)

After NYALT's scores were raised, managers informed Cosgrove that there was not enough money to give grants to all of the winning bidders. When it was suggested that NYALT wait until the following year for funding, Cosgrove demanded that the NYALT be "funded now," managers testified. Soon thereafter, annual funding for the Land Trust Grant program was doubled from \$250,000 to \$500,000 and the NYALT grant was approved.

In an interview with the Inspector General's office, Cosgrove conceded that his actions and statements "certainly influenced their decision in terms of expanding the base of funding" from \$250,000 to \$500,000. According to the investigation, former Agriculture and Markets Commissioner Patrick Hooker, along with other top executives in the agency, did not know about Cosgrove's secret demands to fund NYALT. When he learned about Cosgrove's manipulation of the Land Trust Grant funding, Hooker suspended the Land Trust Grant program and terminated Cosgrove in October 2010.

Cosgrove served as one of the agency's three deputy commissioners from March 2007 until October 2010. His last annual salary was \$135,659. Between 2007 and 2010, Anderson was paid \$150,000 by NYALT.

Compounding the egregiousness of Cosgrove's actions, the Inspector General's investigation revealed that he was well aware early on in his employment with Agriculture and Markets of the potential ethical issues posed both by his wife's employment by NYALT and his own prior employment in the private sector. That awareness led him to obtain an informal advisory opinion in his favor from the New York State Commission on Public Integrity (COPI) in 2008. In doing so, however, Cosgrove provided COPI with inaccurate information and omitted critical details. Specifically, Cosgrove failed to disclose significant facts regarding his role in a contract between Agriculture and Markets and his former employer, the American Farmland Trust (AFT). He further omitted crucial details about his wife's work for NYALT, which had several matters pending in the Farmland Protection Implementation Grant (FPIG) program – a program then supervised by Cosgrove.

Cosgrove also did not share the COPI opinion with administrators at Agriculture and Markets, frustrating their attempts to monitor Cosgrove's actions with respect to NYALT and his wife. Instead, he used the Commission's informal advisory opinion to defend himself against assertions of possible ethical breaches raised by Agriculture and Markets employees. Cosgrove would cite the existence of the opinion as evidence of the propriety of his conduct without ever revealing the actual opinion.

The Inspector General also found that:

- Cosgrove admitted that he should not have been involved in the approval of separate legislative grants to NYALT. “Clearly...I shouldn’t have been signing off on the contracts,” Cosgrove told investigators. He said the contracts were sent to him in error as part of the agency’s contract management system.
- Cosgrove approved a \$50,000 consulting contract between Agriculture and Markets and his former employer, the American Farmland Trust (AFT). AFT helped create NYALT in 2006 and paid for some of Anderson’s work for NYALT;
- Cosgrove inserted NYALT into an early draft of legislation that would create Land Trust Grants which would help pay administrative costs for land trust organizations. Later, at Cosgrove’s behest, Anderson privately suggested changes to the Land Trust Grant request for proposals that could have profited her consulting business.

As a result of Cosgrove’s actions and the Inspector General’s investigation, Agriculture and Markets suspended the Land Trust Grant program. No funds were dispersed to NYALT or 11 other land preservation organizations selected by Cosgrove’s bureau. The Inspector General’s findings have also brought about significant changes in the contract management process and other policies within Agriculture and Markets. For example, contract managers now meet in a contract workgroup to review specific contract proposals and decisions collectively.

The Inspector General is referring the investigative report to the Albany County District Attorney and to COPI.

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