



## Company in Vacco Inquiry Tied to Donations

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a Democrat, focused on similar accusations: that Oxford was assessing excessive charges for damage to vehicles when leases expired. And the complaints have continued. In all, Mr. Vacco's office received 48 complaints about the company in 1997, including the 10 that touched off his inquiry. This year, with the investigation closed, the office has received 45.

Asked about those statistics, Mr. Vacco's aides acknowledged that Oxford had a higher rate of complaints than other car leasing companies in the state and that the new complaints differed little from the earlier ones. But they said Mr. Vacco's investigation had determined that Oxford was not breaking the law, so he was limited in the actions he could take.

To avoid an appearance of impropriety, the Attorney General has said he has a policy of not accepting contributions from companies under investigation by his office. Michael Zabel, a spokesman for the Vacco campaign, said the donations linked to Oxford did not violate that rule.

Mr. Zabel noted that the \$8,500 given during the investigation was from Oxford's chairman, other executives and a subsidiary, not from the company itself. He said Mr. Vacco's campaign and office did not as a rule try to determine whether such related donors were linked to companies under scrutiny.

"Obviously, we have no way to

check the list of all the employees of various corporations, to check for the subsidiaries of corporations," Mr. Zabel said. "That's not feasible."

The rest of the money, he said, arrived after the investigation.

Under state law, corporations can give a total of no more than \$5,000 annually to all state and local candidates and party committees, with few exceptions. By donating through its subsidiaries, Oxford was able to

### Contributions from a car-leasing concern pose questions.

get around the law, a common strategy that many corporations follow. The Oxford subsidiaries have names like Centrex Capital Florida and Linden Tree Development, so their ties to the company are not readily apparent.

Michael C. Pascucci, Oxford's chairman, did not respond to three telephone messages left at his office seeking comment. Gordon Turner, a spokesman for Nationsbank, declined to comment.

Christopher McKenna, a spokesman for Mr. Vacco, said the people who complained about Oxford last year and then went to mediation under the auspices of the Attorney General's office had received money

back from the company — on average, half of the amount in dispute.

"This is a tremendous victory for consumers," he said.

But Mr. McKenna declined to give more details on the settlements or to release the names of customers who complained.

Sandy Mindell, an assistant attorney general who was one of the officials involved in the 1997 and 1990 investigations, said Oxford did not receive special treatment from Mr. Vacco's office. "There was never any pressure on me," Mr. Mindell said. "I was not aware of any contributions."

He said that when the office began the investigation in March 1997, it believed that Oxford was violating the consumer protection law, which requires auto leasing companies to tell customers about their rights in challenging charges. But he said the office later determined that its original impression was mistaken.

All Oxford's new leases are governed by the state's 1995 car leasing statute, but to resolve the case, the company agreed that leases signed before the law took effect would also be subject to it, he said. Without the investigation, customers with pre-1995 leases would not have the protections in the statute, which include the right to seek an outside arbitrator in disputes, he said. The company also agreed that one of its executives would act as Oxford's liaison to the Attorney General's office.

Mr. Mindell and Mr. McKenna both said they did not know why



Attorney General Dennis C. Vacco campaigned yesterday at the Columbus Day Parade on Fifth Avenue. Librado Romero/The New York Times

Oxford had a higher level of complaints than other auto leasing companies in the state.

"We are troubled that they have the large number of complaints that they have," Mr. McKenna said. "But looking at it carefully and examining what they have done, we have not found anything illegal. Maybe people from New Jersey who lease these

cars happen to complain more. What can we do? We can't go after people who are not breaking the law."

Mr. Vacco never publicized his inquiry and settlement with Oxford, a national leasing and finance company with operations in many states. The Better Business Bureau, which provides consumers with information about companies' reputations, said it did not know that Oxford had been investigated. Since the inquiry ended, the bureau has received roughly 20 complaints about Oxford in New York, officials there said.

Mr. McKenna said he did not know why the Attorney General had not publicized the Oxford case.

Like his predecessors, Mr. Vacco has enthusiastically promoted many of his consumer investigations and settlements. A few months before the Oxford case ended, for example, Mr. Vacco distributed a news release announcing that he had "put the brakes" on misleading auto lease advertising by BMW of North America. In that instance, the company settled with the Attorney General by agreeing to pay a \$25,000 fine and stop the advertising in question.

Mr. Vacco has contended that his predecessors at times created a hostile climate for businesses. He has declared that he can act as an effective watchdog for consumers without overregulating industry.

Since taking office, he has collected nearly \$50,000 from political action committees representing New York auto dealers, far more than any other current candidate for statewide office, including Gov. George E. Pataki, according to campaign

records.

Mr. Pascucci, Oxford's chairman, is also the owner of WLNY-TV (Channel 55), a commercial station on Long Island. He has often contributed to Republican candidates on the Island, including Senator Alfonse M. D'Amato, who is from Nassau County.

About six weeks after the Oxford settlement in November 1997, Mr. Pascucci contributed \$15,000 to a political action committee controlled by Mr. D'Amato, New York Salute 1998. And earlier this year, Mr. Pascucci and other executives at Oxford gave a total of \$36,000 to another D'Amato PAC, Renew America.

In 1995, Mr. Pascucci and other Oxford executives gave nearly \$40,000 to Mr. D'Amato's Senate campaign committee, records show.

Lisette McSoud Mondello, a spokeswoman for Mr. D'Amato, said the Senator was a personal friend of Mr. Pascucci but was not aware of the settlement.

Mr. Pascucci contributed \$15,000 to Governor Pataki's campaign in January 1998. And in August, an Oxford subsidiary gave an additional \$5,000 to the Vacco campaign. Asked about this money, Mr. Vacco's aides reiterated that there was no connection between donations and matters before the Attorney General.

"I have been in this office for 37 years and I must tell you, I have guided myself on the principle that I am not involved in any kind of politics," said Mr. Mindell, the assistant attorney general. "I have devoted my life to consumer issues."

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## Mr. Vacco's Questionable Investigation

It is a familiar story under New York's flaccid campaign finance laws. Attorney General Dennis Vacco accepted campaign contributions from a company's executives and subsidiaries suspiciously close to the time of his settlement of complaints against the company. The settlement was far more favorable than a similar investigation of the same company eight years earlier under a previous Attorney General.

The Vacco campaign protests that there was no connection between the donations and the softer landing for a large auto leasing company called Oxford Resources of Long Island. The campaign says the contributions were legal, and that position will stand, unless there is proof of a quid pro quo. But the money hangs over this inquiry like a dark cloud.

As outlined yesterday by Clifford J. Levy in The Times, the earlier investigation of Oxford, in 1990, resulted in charges of deceptive practices that required the company to issue refunds, pay \$10,000 in fines and reform its methods of operating. Under the latest settlement, some refunds of disputed amounts were paid but there were no fines and no allegations of wrongdoing. While the investigation was going on, Oxford executives and a company subsidiary donated \$8,500 to Mr. Vacco's campaign.

Less than three weeks after the investigation was closed, the Vacco campaign received an additional \$37,500 from nine Oxford subsidiaries.

Mr. Vacco is not the first state official to face embarrassing questions about his contributors. New York State's Comptroller, Carl McCall, has received contributions from lawyers, investment officials and others who were awarded contracts involving the state's \$100 billion pension fund. Federal investigators are trying to determine whether there is any connection between \$100,000 donated to Gov. George Pataki's campaign by a construction company that was awarded a \$97 million contract to repair the Queens-Midtown Tunnel last year.

The fact that Mr. Vacco is not alone, however, should not bring him relief. As the chief law enforcement official in the state, he should work harder to make certain a company cannot appear to buy a better legal deal under his public trust. His campaign's process of "scrubbing" contributions from those under investigation missed the Oxford case. The Attorney General should return the Oxford contributions and refuse to accept any further money from contributors who have matters pending before his office. After that, he or his successor should join the fight to clean up campaign finance in New York State.