



Photo courtesy of Eliot Spitzer

ELIOT SPITZER

fight for right

BY ALIZA DAVIDOVIT

If New York's newly elected governor, Eliot Spitzer, could ask God but one question, it would decisively be, "How can we do better?" Yet even without a divinely inspired answer, Spitzer has already answered the call and forged his own gutsy battle to fight for right. That fortitude has made him a household name, but not always a user-friendly one. He has been called everything from Moses, Crusader, Man of the Year, and Sheriff of Wall Street to egotistical, arrogant, self-serving, the Hammer, and the Executioner. But the one headline that roused Spitzer and his family the most was when he was coined among 50 of New York's "Sexiest Men of the Year," hardly a term that former New York Stock Exchange chairman Richard Grasso and other Wall Street execs would use when referring to the man who brought such corporate giants to their knees.

Spitzer, however, has never been one to cater to headlines. Perhaps the only name he cares to be called by them right now is governor. "Of course some [names] get under our skin when they attribute wrong and improper motivations to what we do," Spitzer says. "My job is not to worry about them or to focus on them, but rather to do my job. It all works out at the end of the day."

And indeed, for Spitzer, things seem to always work out, not by magic, but because of the strong work ethic he learned at home and his stubborn, tenacious, competitive character that seems to have marked him from his childhood.

"According to his parents, Eliot was determined from the start," writes Brooke A. Masters in Spitzer's biography, *Spoiling for a Fight: The Rise of Eliot Spitzer*. Even as a toddler he would absolutely refuse to leave the playground. "It would take two people to pick him up. He kept himself so stiff that he was rooted." To this day, even in the political playground where bullies abound, Spitzer remains resolute in the things he's fighting for.

Another family tale reveals yet again Spitzer's more competitive side. When he was just 8 years old, Spitzer began to cry during a family game of Monopoly when he landed on a property with many houses and wasn't able to pay the rent. Perhaps that is where his sensitivity for his current housing cost cut initiatives was born.

When in college, Spitzer was the only one from his group of friends who trained for a marathon who didn't quit midway and actually completed the entire run. His father had always taught him to have commitment to an undertaking. "If you're going to do it, do it!" he had often said.

But Spitzer's competitive nature fundamentally feeds into his life ambition to do good and make things better. "When you compete, you do better," Spitzer says. "I believe in the market of competition where people can take themselves to higher levels. When complacency sets in, when

things are easy or there's no challenge, then there is no striving to be better."

These thoughts seem to echo from the halls of the home in which he grew up. "We were told early that you're not here to make a pile of cash and be comfortable," Spitzer's sister is quoted as saying. "The goal of our lives had to be to do some greater good." This is echoed in Spitzer's biography as well: "[Spitzer's parents] cared deeply about



Photo courtesy of Neil Abramson

Eliot and Silda Spitzer after the gubernatorial convention win.

politics and progressive causes—they supported Eugene McCarthy for president in 1968—and they wanted their children to make an impact on the world, to leave it a better place than when they arrived."

Eliot Lawrence Spitzer arrived in this world on June 10, 1959. He was raised in affluent Riverdale, New York, with his two siblings: a brother, Daniel, and a sister, Emily. His parents, both American born, met in the Catskills, where his father, Bernard, played the saxophone in a band and his mother, Anne, worked as a counselor. (She had also once caught the eye of actor Jerry Stiller, who would carry her books home from school.) The couple married in 1945. Spitzer's father soon abandoned his engineering degree and went into construction and real estate

development, where he met with tremendous success and wealth—a wealth that would eventually help his son advance his political ambitions.

Yet even though the Spitzers were able to offer their children the finer things in life, they never made it easy for them. Even the dinner table became a forum for teaching and edification. Every night the three Spitzer children were expected to prepare for and debate political issues of the day. The children rotated leading the family discussions. Eliot always came very prepared, his brother recounts in *Spoiling for a Fight*. "I don't think Eliot's b.s.'d in his life," his brother tells. "The idea of him walking into a discussion and winging it is so foreign. He's not going to claim a fact unless he is determined he has it." Often the lively debate would unnerve dinner guests or greatly challenge them. Bill Taylor, Spitzer's college roommate, said he'd study harder for a Spitzer family debate than he did for an exam at Princeton.

The governor-elect is grateful for the way he was raised. "Both my parents were critically important in how I emerged; the values they taught me," he says. "They both had very modest beginnings. All my grandparents were immigrants, and I think my parents did well, but did well by virtue of hard work and good education that they got in the public schools here. They passed on those values to their kids."

Spitzer himself was a graduate of the Horace Mann School. It is there he met someone he predicted would be the best tennis player in the world, a fellow student named John McEnroe. He then attended Princeton University, where he was elected chairman of the undergraduate student government, and moved on to become the first sophomore in ages to become presi-

dent. He graduated in 1981 and went off to Harvard Law School, where he joined the *Harvard Law Review* and became an editor.

While at Harvard, Spitzer also helped work on the appeal of the von Bulow case for famed law professor Alan Dershowitz, who, incidentally, never saw a political career in his assistant's future. In the summer he interned for Lloyd Constantine, then assistant attorney general of New York in charge of antitrust enforcement. "I've had hundreds of interns and hundreds of students," Constantine told the *Atlantic Monthly*.

"[Spitzer] was the best. He was different from the day he walked in. He had an air of confidence that said he was a leader. He reeked of it. He came in and in a very polite way his message was, 'I'm smarter than you, and I can lick you.'"

Upon receiving his Juris

result, the Gambinos were charged with antitrust violations as opposed to extortion, which places a much bigger burden on the DA's office. The Gambinos avoided jail by pleading guilty, paying \$12 million in fines, and agreeing to stay out of the business.

Spitzer left the DA's office in 1992 to join the law firm of Skadden, Arps, Slate, Meagher & Flom, where he worked until 1994. From 1994 to 1998 he worked at the law firm Constantine

Knicks." His college buddy, Cliff Sloan, is quoted as saying. "Eliot's just fearless." For certain, if he can take on Celtic's fans, how could he be scared of the Gambinos?

"It takes a certain gumption to stand up to certain powers," Spitzer tells *Lifestyles*, "but it's the right thing to do."

And once again he sought to do the right thing as attorney general, from 1998 to 2006, by taking on major financial institutions. He initially ran for the office in 1994 and placed fourth out of four in the Democratic primary. In 1998, he was finally able to unseat the incumbent Republican in a very tight race. It was reported at the time that Senator Daniel Patrick Moynihan walked away after endorsing Spitzer and muttered, "Nice kid. He's gonna get killed." After a protracted recount spanning many weeks, Spitzer won by 25,000



Photo courtesy of Eliot Spitzer

Spitzer with parents.

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Doctor, Spitzer clerked for Judge Robert W. Sweet in Manhattan. Eventually he joined the staff of Manhattan district attorney Robert M. Morgenthau, where he stayed from 1986 until 1992, rising to become chief of the labor-racketeering unit. There he successfully prosecuted organized crime and political corruption cases.

His biggest case involved the Gambino crime family. Spitzer led the investigation that ended the Mafia family's control of Manhattan's trucking and garment industries. Spitzer set up a sweatshop business front in the city's garment district that enabled "the manager" to get close to the Gambinos and plant a bug in their office. As a

and Partners on a number of consumer rights and antitrust cases.

Regardless of whom he took on, Spitzer seemed to have no trepidations. "That's the stuff of movies," he says. "I have never felt there was any physical threat or any effort to intimidate me."

But perhaps Spitzer is just oblivious to fear. Spitzer's Harvard classmates recount the time when the Celtics were playing the Knicks at Boston Garden and they were in the middle of a very pro-Celtics crowd. Spitzer was constantly on his feet, adamantly cheering for the Knicks. "He was angering everyone around us, especially the regulars, but he was unbowed in his full-blown enthusiastic support of the

votes—48.2% of the vote. In his reelection in 2002, he won with 66%.

As attorney general, Spitzer took on cases that most of his predecessors didn't or wouldn't. As one journalist stated, "As the attorney general of New York State, he is supposed to go after auto repair shops, nursing homes, and crooked landlords. His mandate is consumer fraud." But he ventured to go where no man had gone before. Spitzer's mettle and chutzpah, coupled with the abilities afforded by his position, gave him the mandatory tools to bring justice to those forces that most deemed untouchable: Wall Street exec-

utives and CEOs. He exposed fraud in numerous Wall Street stalwart firms that were duping investors with false investing advice. He didn't stop there, going after large players in both the mutual fund and hedge fund industries.

Merrill Lynch was the first to kowtow to Spitzer. In 2002, after subpoenaing every e-mail Merrill's Internet analysts had sent since 1997, Spitzer and his team discovered that Lynch execs had downgraded stock ratings because a company wouldn't do business with them. Spitzer got fired up. He publicized the e-mails that also revealed how Merrill Lynch analysts had recommended companies they did business with to investors while privately referring to those same stocks as "dogs" or "junk." Merrill Lynch settled for \$100 million, its reputation gravely damaged. Merrill's stock price plunged and its market value dropped \$5 billion in a week. By the end of 2002, New York's 10 biggest investment firms—Citigroup, Morgan Stanley, Credit Suisse First Boston, Goldman Sachs, J.P. Morgan Chase, Bear Stearns, Lehman Brothers, Deutsche Bank, UBS Paine Webber, and Piper Jaffray—were forced to pay a total of \$1.4 billion, which included \$487.5 million in fines and \$387.5 million in profits. Those institutions were also forced to comply with serious structural changes in how they recommended stocks.

Just recently, the New York State Supreme Court ordered former New York Stock Exchange chairman Richard Grasso to pay back a major portion (\$80 million) of the \$139.5 million compensation package paid to him while he held that position between 1995 and 2003.

Spitzer was able to take on these corporations and individuals by invoking the Martin Act of 1921. A law barely used in 75 years, it gives the New York attorney general the power to subpoena witnesses and company documents pertaining to investigations of fraud or illegal activity by a corporation. In 1925, it was Attorney General



Eliot Spitzer marches at West Indian Day Parade.

Albert Ottinger who successfully pushed for legislation that dramatically limited the act's immunity provisions. Then in 1955, Attorney General Jacob Javits inserted clauses into the Martin Act that reduced the burden on the AG's office of actually proving anyone was defrauded and enabled it to prosecute scams before there were any victims. With the Spitzer kiss, life was brought back to the long-slumbering Martin Act and near death to the guilty as charged. Empowered by the law and his fight for right, the crafty AG built his cases both in the legal courtrooms and in the court of public opinion.

As for what he has to say about himself, the matter is clear. He believes in doing what's right. "How could we live in a society where we have so many smart people at the top of these institutions and things have gone so terribly wrong?" Spitzer says in his biography. "Have we forgotten our ethics?"

Over the years, Spitzer has been inspired by the likes of Teddy Roosevelt,

Al Smith, and FDR. "Their politics of inclusion, opportunity, and hope blazed the way for a capitalist system that went beyond favoritism and cronyism, a system that gave every person an opportunity to succeed...Our efforts in fighting fraud were meant to level the playing field, restore the integrity of the markets, and give small investors and

all others who participate in the markets the same opportunity as enjoyed by others."

Spitzer tells *Lifestyles* that he has seen one common thread among these high profile and otherwise smart wrongdoers and it is the belief that by virtue of their position they are not bound by the rules that others have to live by. Obviously, he has proven otherwise.

Although Spitzer has been called an executioner, he still has his own head on his shoulders. "The resolutions aren't designed to tear down the institutions," he says. "The effort was to make them work properly."



Over the years, Spitzer's pursuit for justice didn't stop at the Financial District. He took on General Electric for defiling the Hudson River but didn't accuse the company of causing pollution. Instead, he charged GE with disrupting river traffic, a move that led the company to agree to dredge the river's most contaminated section.

In a further investigation of pollution in New York, Spitzer sued mid-western power plants that were defiling New York's air, once again using an obscure section of the Clean Air Act. He demanded that the federal Environmental Protection Agency turn over files of 50 power plants that the EPA had investigated but never prose-

Photo courtesy of Angel Chevest

cut. The plants' emissions contributed to acid rain and other environmental and health hazards in the eastern states. "New York has been especially hard hit by the devastating impacts of dirty air," Spitzer has said. "Acid rain has damaged our lakes and streams, while scores of children suffer from asthma attacks every day."

Spitzer also led a coalition of 41 states in a price-fixing lawsuit against the five-largest music companies and three-largest music retailers. The companies settled by paying fines of \$143.1 million. Through an investigation of music industry practices, Spitzer's office also uncovered \$50 million in royalties owed to musicians and

the Red Cross have had to worry? Yes. Here, too, Spitzer was not warded off by the big cross. Spitzer was incensed when he learned that the organization was planning on using funds it had raised to help 9/11 victims for other causes. His biography describes that after having visited their headquarters in Washington, Spitzer learned that they were in the midst of planning a lavish new headquarters. He became instantly suspicious. He confronted their attempt to divert the 9/11 funds and even testified before Congress regarding the matter. The Red Cross backed down and the monies were disbursed as initially promised.

Spitzer also opened a massive investigation into Internet adware and spyware.

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Yet even as Spitzer holds the bar very high, he has nonetheless told *Lifestyles* that he has learned something from his three girls that perhaps no others could have equally imparted: to have patience!



Though Spitzer has sometimes been accused of being egomaniacal, he is quick to admit that he isn't always right. He confesses to *Lifestyles* that there are people he owes an apology to, but he won't say to whom. As for

"We never lose sight of the core moral precepts that are written in the Commandments and the Talmud. There is a moral framework. There is a right and a wrong, which have direct applicability to every day."

forced music publishers to pay up. His office also served subpoenas against record labels in an investigation into "payola," the illegal compensation of radio stations for playing certain songs and disc jockeys who receive gifts from promoters in exchange for playing the artists they represent.

He also branched out into the insurance industry, investigating under-the-table commissions where contingent commissions provided an incentive for insurance brokers to recommend more costly insurance to their clients, thereby presenting a conflict of interest. Spitzer also filed complaints against AIG's Chairman and CEO Maurice R. "Hank" Greenberg and ex-CFO Howard I. Smith, alleging fraudulent business practices.

But if Spitzer can be seen as a heroic Dracula who sucks out only the venom from otherwise good blood, then should

He believes computer users are entitled to their privacy and to not be continually harassed by pop-ups and other marketing ploys. He has already settled with one offender, Intermix, in June 2005.

Though today he takes on contemporary causes, when asked what crime in history he would have liked to contest, Spitzer tells *Lifestyles* that if he could have fought any historic wrongs it would have been slavery and racism.

And when asked what the world would be like if most people were like Eliot Spitzer, Spitzer replies, "Hopefully, one where people play by the rules a bit more."

Those are values he learned not only from home or from his responsibility as attorney general, but also from his Jewish heritage. "What guides Jews is the notion of fairness toward all," Spitzer believes. "We never lose sight of the core moral precepts that are written

always having his way with his wife, Silda, of 19 years, he says with a laugh, "I'm not the only one who gets to make decisions in the household."

Spitzer met his beautiful blonde wife while still at Harvard, where she, too, was a student. Silda Wall grew up in a small town in North Carolina. After going to Meredith College, an all-girls school in Raleigh, she went to Boston and met her husband-to-be on a ski trip. She worked at the prominent law firm Skadden, Arps, Slate, Meagher & Flom LLP for over a decade. In 1996, she left law to start the Children for Children Foundation, a New York not-for-profit founded to foster community involvement and social responsibility in young people. Silda runs the charity without salary.

As for her husband's political path, Silda has always been supportive. She was five months pregnant with their third child when Spitzer announced his

1994 campaign. "I think he's tough, but caring," she has been quoted as saying. "I don't think he asks or expects anything from anybody else that he doesn't expect from himself and gives."

One thing is for certain: Life with Eliot Spitzer could never be called boring. "I feel like every day I've been with Eliot has been an adventure so far," Silda has said.

And it seems the newest adventure is yet to come when Spitzer takes Albany by storm as New York's second Jewish governor (Herbert Henry Lehman was the first).

In 2004, Spitzer declared his intention to run for the governor's office. In June 2005, New Mexico governor Bill Richardson hailed Eliot Spitzer as "the future of the (Democratic) party." Then presidential candidate Wesley Clark said that Spitzer was on his vice-presidential short list. In the September 2006 primary, Spitzer, along with running mate David Paterson, won 81% of the Democratic vote in his race for governor. It was written that Spitzer represents "the cutting-edge model of the post-Clinton Democrat, drawn from a generation of politicians whose formative experience wasn't the civil-rights movement, who are tough on crime, and whose foreign policy isn't shaped by Vietnam."

Is Spitzer spoiling for a fight in Albany? He has already said in an interview with the Associated Press that he envisioned a more bipartisan administration in Albany with far more autonomous agency heads picked for their expertise, not politics. He wants to reform the way state government self-manages. He intends to end the "pay-to-play" culture in Albany by making it against the law to give gifts to state employees or to donate to candidates for state office. Yet, Spitzer feels that incompetence is often worse than corruption, and he will hire people based

not on cronyism or nepotism but on expertise, skill, and merit. He has also promised to end what he called "lifetime appointments to the state legislature."

In its endorsement the *New York Times* wrote that Spitzer "has been fearless and dogged in his pursuit of justice. We are eager to see what happens when he applies those attributes to Albany's immobile legislature, which has a long, sad history in wearing would-be



Eliot Spitzer and David Paterson.

reformers down, waiting them out." Can Spitzer fix a broken Albany? Perhaps by using his methods often deemed politically incorrect, he can correct politics. It's a wait-and-see game.

But there are other also other goals on Spitzer's agenda. Spitzer is adamant about doing something to ameliorate income and property taxes that are higher in New York than almost any other state. He wants to aim property tax relief at middle-class New Yorkers with a plan that calls for \$1.5 billion in immediate property tax relief next year, \$2 billion in 2008, and \$2.5 billion in 2009. He will also focus on creating affordable housing, something the leaders in Albany have failed to make a priority.

Spitzer also plans on making New York the best place to do business in America, with a five-part plan: Reduce taxes and reform the Wicks Law (multi-

contract bidding), reduce workers' compensation premiums, reduce energy costs, reduce health care costs, and streamline the regulatory system. And where there is business there are jobs. As governor he intends to reverse economic stagnation and decline and prevent young people from leaving the area because they cannot find good jobs or afford the cost of living.

As for health care, New York spends far more on Medicaid than any other state, spending almost \$50 billion this year alone. In addition, New York State's health care system faces an affordability crisis. Over the past 10 years, the cost of an insurance policy for a family of four has doubled and the total cost of the state's Medicaid program has nearly doubled. Spitzer intends to cut the number of uninsured New Yorkers in half over the next four years by enrolling them in existing programs for which they already qualify.

Other initiatives will include transportation, the environment, and education. He aims to improve education in a state where the high school graduation rate is 58%, the third-worst in the country.

And finally post-9/11, public safety must be underscored. He feels that an effective homeland security and preparedness strategy that anticipates and prepares for the widest range of possible events must be developed.

Whether Spitzer will be able to accomplish what he has set out to do remains, for now, a big question, one he will eventually have to answer to his constituents, the press, and to his inner voice. But what if God would answer Spitzer's question, "How can we do better?" The good Lord may very well answer, "Eliot, baby, you're doing just fine!" lifestyles

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