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Corruption inquiry turns to ex-adviser to Street

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Leonard N. Ross, Mayor Street's former law partner and once one of his most influential advisers, is in the crosshairs of a federal corruption investigation.

The grand jury, which meets Tuesdays in Philadelphia, could complete its work soon.

FBI wiretaps show that while he chaired a committee to develop Penn's Landing, Ross spoke about it privately nine times with power broker Ronald A. White, who was simultaneously assisting one of the bidders and helping Ross secure a \$150,000 personal loan.

Such conduct was "totally improper," committee colleagues have told the FBI, according to investigative summaries obtained by The Inquirer.

No one has been charged with a crime. Ross, who has said he has done nothing wrong, declined to comment Friday. His lawyer did not return calls.

Ultimately, no developer was selected to redevelop one of Philadelphia's largest and most-delayed civic projects. In closing the process last year, Street said each of the finalists' plans were too expensive.

The Penn's Landing deal is one of several uncompleted chapters in the FBI's sprawling City Hall investigation. It was cited in the indictment last year of 12 people, including White, former City Treasurer Corey Kemp and Commerce Bank executives Glenn Holck and Stephen Umbrell.

White, a longtime Street fund-raiser and confidant, had been indicted as lead defendant, but died of cancer before trial.

Kemp and the bankers were convicted of depriving Philadelphia taxpayers of honest services. In the Penn's Landing case, authorities are weighing similar fraud charges.

The FBI recorded the wiretaps between White and Ross in 2003 - a year in which the two men raised cash for Street's reelection and Ross oversaw bidding on the Penn's Landing redevelopment project.

Ross, a former assistant district attorney, is a lawyer for the international firm Greenberg Traurig LLP, where he specializes in governmental affairs.

According to Ross' biography on the firm's Web site, "At Mayor Street's request, Leonard served as the chairperson for the Government Organization Transition Committee. His responsibilities included interviewing candidates and making recommendations to Mayor Street for the staffing of all City Departments, including Cabinet positions, Commissioners and Deputy Commissioners."

Although Ross has recently declined to comment, he said in a 2003 interview with The Inquirer that he had done nothing wrong and that White had not improperly influenced him.

"It's not like these are all secret things," he said.

The two selection committee members known to have spoken with the FBI disagreed, according to investigators' reports. They said Ross should have disclosed his relationship with White, who was advocating on behalf of developer Tower Investments.

The committee members, former Penn's Landing Corp. president Dominic Sabatini and Philadelphia Industrial Development Corp. president Peter Longstreth, also told FBI agents that the committee's deliberations should not have been disclosed. (Sabatini did not return a phone call Friday and Longstreth declined to comment.)

Longstreth would later tell the FBI "that Ross' statements to White about the positive and negative aspects of the Tower Investments proposal, as well as Ross' suggestions to White about... effectively address[ing] these issues was totally improper."

To avoid undue influence during the selection process, Sabatini and Longstreth said that staff member Indira Scott had been designated as a buffer between the committee and bidders.

Sabatini said that selection committee members "received ethical training and all contacts between committee members and prospective developers were to be coordinated through Scott," according to an FBI agent's summary.

Should the case be charged and go to trial, Sabatini and others are likely to be asked to explain these ethical procedures to a jury, said former federal prosecutor Rocco Cipparone.

Some of the wiretaps and the FBI reports in the Penn's Landing case have not been made public, but were disclosed to both sides in the City Hall case.

On one tape, White and Ross agreed to slow the selection process to permit the pair to solicit campaign money from prospective developers.

In the fall of 2003, wiretaps recorded White as he helped Ross obtain the \$150,000 loan from Commerce Bank, calling Umbrell on his behalf, even offering to help collect the loan if it went bad.

Ross: "I never heard from Steve Umbrell and... I am getting a little desperate."

White: "Let me call him up."

When White dialed Ross to tell him Umbrell would be calling, Ross said. "OK, thanks, that's a load off of my mind, I appreciate it."

In another call, Ross ticked off the names of the developers - "Atlantis Group, you guys, Brandywine and Keating" - then began to assess them.

On Sept. 5, 2003, Ross called White to thank him and tell him that the loan from Commerce had been approved. A few minutes later, the subject turned to Tower's proposal.

White and Ross talked about Bart Blatstein, who heads Tower Investments and who is not suspected of any wrongdoing in the case.

"Between you and me," Ross told White, "the only reason that I would help him at all is because of you, OK?"

Within an hour, White was on the phone with Blatstein, repeating much of what Ross told him.