

From the series
Enemies Foreign and Domestic
(1980 through 2004)

New York
Power Politics

A short story in the style of the historical novel

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New York Power Politics

The Favor

At 8:14AM, a number of weeks before the gubernatorial election CEO Donald Feldman's private line rang. He put down his coffee and pressed the speaker button. The voice on the other end of the line said, "Please hold for the Governor."

After a moment or two the speaker crackled, "Good morning, Don. This is Marty. Do you remember my speech to that Crown Plaza fundraiser? You recall the part about women in government, right. Of course you do. Well, I need a favor from you in that regard."

Don replied, "You know I owe you a few, Governor. What can I do for you?"

The Governor continued, "Can you make me some Page-1 headlines? It would require appointment of a woman to some high visibility, senior position there at The Energy Authority. I need positive camera time, some good sound bites, and several quality video clips to run during prime time on this issue. Can you arrange that?"

Don offered, "I think I know how we can help you, Governor. We have just such a vacancy. We could jointly announce her hiring with a big press conference. We would invite all the major newspapers, including the NY Times, Newsday, Albany Times-Union and the NY Post, and cut some prime time video for the TV networks ABC, CBS and NBC, the independents FOX and CNN, and, ah, well, you know, do the full media work-up. Best yet, it won't cost your re-election campaign a single red cent. TEA will cover the cost. We've got lots of contacts in the media and your political allies will be glad to help."

The Governor responded, "Good. I am counting on you, Don, and I have just the candidate to fill that position. They tell me she has a high television quotient, a good face recognition factor and, best yet, she will do whatever she is told to do. But, first, let's get off this damn speaker phone." Don picked up the receiver ...

Machiavelli

Professor Michael Moses of the NYU Graduate Business School lectured us about Business Ethics, as I, MBA student Chris Lawrence, took copious notes.

“Power is the ability to influence and direct others; to create and motivate change. Yet, it is simply a tool for directing how many things get done.”

“I have found that in life there are two complimentary poles: power and knowledge. Knowledge *without* power is impotent. Power *absent* knowledge is incompetent. Nevertheless, I have seen that in far too many lives, power and blind ambition lead only to ruin, rather than to wisdom.”

“Good is the use of power and knowledge to achieve some valid, moral, legal objective. Evil is the absence, or destruction of good, through actions beyond the bounds of valid, moral, legal behavior. How we use them makes *us* good or evil. Their joint exercise for good is often viewed as wisdom.

“During the Italian Renaissance Niccolo Machiavelli wrote his immortal thesis on power politics entitled *The Prince*. It describes and is dedicated to the Medici Court, and has come down through the ages as *the* premier work on the corrupt use of power politics. In brief, this work is predicated upon a belief that, ‘the ends justify the means.’ This unparalleled model for the evil use of power to achieve self-promoting ends has become a ‘devils gospel’ for many who have been corrupted by its teachings.” ...

As his class ended, Professor Moses called out, “Be sure to read the Machiavelli book for our next class. There *will* be a quiz. See you next session, and please be on time.”

In the Beginning

Kathie and I met her first year at Rensselaer. I was a junior in engineering. Kathie was studying Computer Science. However, not satisfied with mere employment following graduation we wanted it all! Yuppies *had* to have ‘Name Brand’ business degrees. We married, and then were both accepted into night graduate school. Four years later with our MBA’s in hand, we would both go shopping for better employment circumstances. After Rutgers, Kathie landed a job with HESS Oil. She was later to find that the letters ‘HESS’ really stood for *holidays, evenings, Saturdays and Sundays!* I had graduated from NYU with distinction. The Electric Authority (TEA) was hiring, so I accepted a position there as project manager.

We dove into our careers and several relatively uneventful years passed. However, nine months after I reached my 30th birthday our lives would change forever when our son Chris, Jr. was born. Kathie had managed to work up until the last day of her pregnancy. However, she just could not put in the long hours. She was “only” working 55-hour weeks. Her male supervisor labeled this performance “less than satisfactory.” That resulted in her termination following the oil price collapse during the mid-1980’s. So, Kathie became a stay-at-home Mom.

When our son turned four, and much to my wife’s surprise, I promised my elderly Scotch-Irish maternal grandmother a redheaded great-granddaughter. Much to Kathie’s surprise, some nine months later our redheaded daughter, Samantha Anna, was born. Now our family was complete, but I had another mouth to feed!

The Energy Authority

TEA was a cross between a government agency and an electric utility. The members of the Board were nominated by the Governor and confirmed by the State Senate.

Regardless, within two years, I was elevated to Manager of Projects. Ultimately, my boss promoted me to Director of Electric Pricing. Things had gone smoothly and progressed monotonically upward until that point.

In early December, TEA announced the annual Holiday Party. Kathie was enthralled at the opportunity to get out for a few hours. She found a sitter. Then she bought a red evening dress. The gleaming white pearl necklace and matching earrings she wore with it added a bit of Jackie Kennedy haute couture to her ensemble. The dress only served to emphasize her naturally beautiful honey-blond hair and sultry green eyes.

The Holiday Party afforded me an opportunity to introduce Kathie to my fellow employees and superiors. They included Bob Baxter, Executive Vice President of Operations. He grinned and commented that, “It would have been unthinkable not to invite my ‘better half.’ ” She blushed. He asked her to dance, but commented that he was not a very good dancer. Kathie observed that she was used to that at home. He chuckled. She was funny, sparkling, and truly beautiful. He was charmed in an instant. Score one for the promotional card.

However, nothing good lasts forever. The New Year brought with it considerable change. My boss left us to head up another business unit. Mike Woodley, VP-Business Development announced his retirement. By the end of the 3rd quarter, there were two key vacancies at the top of Marketing.

Expectantly, I submitted my application. The tasks I had handled for Bob Baxter were sure to put me in good standing. However, his prompt return phone call surprised even me. “Hello, Chris, this is Bob Baxter. I view it as entirely appropriate that you should apply for this position. You are a talented individual and we have worked well together.” Well, so far, so good. Why did I sense a silent “but” dangling at the end of that sentence? He continued, “However, I must tell you that it has just been decided that the position should be filled by a woman. They want to meet some broader policy objectives by hiring a woman executive.” I responded, “I don’t understand, sir.” He nervously replied, “I’m sorry, Chris, but I’ve got to go.” The phone went ‘click’ as he hung up the receiver.

Who were “they?” Bob was an Executive Vice President. So, likely “They” would have been Donald Feldman, Chairman and CEO, Ron Berger, President and COO or Governor Martin Komo. This did not fit Berger’s laid-back style. The Governor would never get directly involved. Don Feldman was the most likely candidate. He was well known for bending the rules and even

breaking them on occasion. This decision was probably meant to achieve some bullshit partisan political objectives. It certainly smelled like Feldman.

Several weeks later, just before the election, CEO Donald Feldman, accompanied by a smiling Governor Komo, announced that TEA was hiring Lois Morton as its newest Senior Vice President. She would bring Rachael Bates to be her right hand ‘man’ as Director-Business Marketing.

We men had been born with the wrong set of chromosomes. Nothing could make our resumes meet those job requirements! No other qualifications counted. Their political objectives were paramount. After all, it was an election year and the party needed Martin Komo in the Governor’s Mansion! What better headlines could the Governor get to woo female voters? It did not matter. Democrat Martin Komo lost the gubernatorial election to upstate Republican George Patrick.

A Woman for All Seasons

Yet, as a new recruit hired from another state hired by one political party, Ms. Morton would show herself to be an adroit student of bipartisan politics. She had no qualms about working toward Republican political objectives in New York. She was a woman for all seasons. Her personal objectives transcended party politics. Loyalty to any particular set of political objectives was a mere job requirement of the moment. She believed in doing whatever it took to gain promotion to her own lofty career objective. Rules were there to be broken. Rules only applied to *lesser* beings.

By the end of his second term, Governor Komo’s misguided energy policies had increased power costs significantly, and the NY industrial base was hemorrhaging badly. New York’s cost of electricity was over 50% above the national average.

The challenge was how to undo the mess. Lois Morton proposed doubling TEA’s existing low cost Economic Development Power program to serve thousands more New York businesses, large and small. Economic Development Power is subsidized power. The problem was finding a “deep pocket” to fund those subsidies.

Regardless, Lois Morton trotted out Governor Patrick's new Energy for Employment (E4E) program giving all the credit to the big boss. The only trouble was that E4E would ultimately require off-budget subsidies in excess of \$100 million per year. However, the obvious *political* dividends assured its widespread adoption.

Lois Morton had proven to be an effective operative, and some detractors would say "whore," for both sides of the isle. Her personal objective was promotion to CEO. This would now be accomplished by giving away low cost power to desperate business customers! These customers would become her staunch political allies. The financial benefits she handed out added to her political capital every day. *Power-for-power* was the new reality. Electric power for *political* power was to become the platform for launching her career.

As we came to know this dynamo of the power business, we learned other things about her, as well. She was long on ideas to promote herself, but short on understanding of the utility business. She could peddle low cost power, but she didn't care how it was produced or how much money TEA lost servicing her program. The political outcome trumped all other considerations. If the politics were good, then the bottom line be damned.

Bill Gates of Microsoft had a publicly espoused business philosophy of surrounding himself with the smartest people in the world. He humbly admitted that he could never know and do everything himself. Her approach was the absolute antithesis. *No* light could shine more brightly than hers would. She promoted less experienced women to do her bidding. Bob Gromer – a visually impaired employee and a truly sarcastic critic - commented that, "In the land of the blind, the one-eyed woman was queen."

The Energy for Employment program was handing out low cost power allocations by the thousands. Every politician in the State was clamoring for low cost power for his business constituents. Low cost power recipients also included the influential, like television networks ABC, CBS and NBC, as well as the printed media, like the New York Times.

Yet there was definitely something wrong. Carol Santiago was promoted. Lena Wells was promoted. Why weren't the men who made the program work getting recognition? Rob Irving

developed the energy dispatch schedules. Had he been “too smart?” Jim Parsons had negotiated all the utility delivery contracts, yet his efforts were attributed to Maria Pistola. Was his light shining a little *too* brightly? I had supervised the design of E4E electric rates. Had I been too independent? Beneath the thin veneer covering Marketing, the wood was rotten.

The E4E program was designed to be subsidized. However, Ms. Morton chose to ignore that TEA was really losing far more than planned. Ultimately, *one-half* of the power cost was subsidized. She was extremely reluctant raise rates. “That simply isn’t *politically correct*! TEA will just have to eat the difference.” So, the program rolled up multi-million dollar deficits, creating an ever-growing subsidy. This was really starting to worry the Accounting staff, their boss, Vice President-Finance, Arnie Bell, and others.

At the end of E4E’s fourth year, my staff identified a major E4E billing problem. Marketing’s Billing unit had failed to charge for millions in power costs. However, the need to re-bill reflected badly on Ms. Morton and Ms. Pistola, her hand picked successor for Jim Parsons. Ultimately, Ms. Pistola was forced to resign because of the unfolding fiasco and the die was cast. Ms. Morton was embarrassed and my future was doomed for trying to fix the mess. Sadly, my next performance review reflected that fact. As Bob Gromer summed it up one day, “In Marketing, no good deed *ever* goes unpunished!”

The World Trade Center

September 11th, 2001 is a day, to paraphrase FDR, “that will live in infamy.” Not only did over three thousands Americans lose their lives, but the New York electric grid came perilously close to collapse. Only some quick thinking by a few individuals saved the electrical system and avoided a Northeast blackout or worse.

The morning of the tragedy, I rushed to reach agreement with Kevin Klein (Manager - Energy Control Center), Ken Yost (Senior Vice President of Transmission), and Dr. Rob Irving, Chief Power Scheduling Engineer, on ways to compensate for loss of the WTC. However, curiously Ms. Morton instructed me that, “It’s not your problem” and, “Stop work now!” even though power scheduling was an integral part of my group’s job description. This misdirection cost TEA and the

State millions of dollars and risked the health and safety of every man, woman and child in the Northeast!

I had taken the initiative to resolve critical problems. This was not a good thing in Marketing. If I looked too good, then she did not, or even worse, she would look down right foolish.

This was a real problem for her and she had to deal with that problem immediately. However, what could she do? She couldn't fire me. There were far too many skeletons in that closet. A special solution was needed.

She devised a plan to reassign me. A new position, a lateral to oblivion, was created ostensibly to keep her on top of developing industry trends. Her boss, President and COO Gene Foster, had been critical of her for being "out of touch." This lateral would create the appearance of rewarding me while she pretended to be interested in the evolving electric industry.

A deal with the devil

Subsidized, low cost power turned out to be like an addictive drug. Once the businesses had it, they could not live without it. Once they got used to its low price, TEA couldn't raise the rates – not even to recover its rising costs - without stirring a loud cry from across the State. So, the subsidies grew unchecked. According to Ms. Morton, Marketing had no responsibility there. Our job was to sell low cost power. It did not matter if the deals were bogus or rigged, or the justifications fixed to suit some political outcome.

Was *Power-for-Power* corruption? How far was this from the practices of Organized Crime? The dividend wasn't money so much as personal political power. Professor Moses had warned that, "There is sometimes a fine line between aggressive business dealings and outright corruption." For Ms. Morton that line was blurred, and far too often crossed for my liking.

She had raised the political corruption bar to a completely new height. Business subsidies were exchanged for political power. Yes, that was the real game. Businesses needed to hold down their power costs. Lois Morton needed allies to support her personal career goals. You take care of me

and I will take care of you. Yes, she had found the political goose that laid the proverbial golden egg; low cost, subsidized electric power!

However, the financial problems belonged to someone. She mused, “Let the accountants figure it out. Let the operations people assume any burden and the criticisms for producing over priced, politically unacceptable power.” Marketing just sold the power to suit the politicians. Others had to make it work, or find the subsidies to keep the businesses and politicians happy. This incredible arrogance gave rise to an army of TEA managers enraged at her cavalier attitude. Their careers were tarnished as she piled on accolades to support her ascension to CEO.

Eureka! Yes, a “good ol’ girls” network might work. Had she struck upon another key to success? Men had their “good ol’ boys” network. Why shouldn’t there be a “good ol’ girls” network, too? Of course! She had reached an epiphany. Women would support each other, to the exclusion of men. They would form a secret political force, hidden and unknown, but not inactive or ineffective.

A Case Study

Sandy was a rising star at IBM. Like Ms. Morton, she was the top female executive at her firm. She was Executive Vice President of the International Consulting Division. IBM was a very large power user. It had tens of thousands of computers humming along consuming vast quantities.

However, IBM did not really fit the mold. It made billions from its many and far flung operations. Regardless, “L” and “S” met for lunch. There were no notes. Could IBM line up a political sponsor? Then they could get low cost power. IBM represented a fine, large jewel for Ms. Morton’s political crown, and when she had accumulated enough jewels in that crown, Lois Morton would be King, or was it Queen? So, IBM received a large allocation of low cost power in return for its undying political support for Lois Morton. Sandy received important recognition at IBM. This was a major win-win, achieved by exercising the new woman-to-woman network. *Power-for-power* was definitely taking off!

IBM was easy. However, men still held most of the prominent positions in industry. However, from Cleopatra to the modern actress, influential women have known how to bring lesser men to their knees. It was genetic. It was chemistry. Just smile, flash the eyes, toss the hair, and they could melt even men of steel.

Occasionally, when it suited her fancy she would fulfill the dreams of a select few. However, these few would have to be secretive. No running off at the mouth or bragging and ruining the fine façade she had worked so hard to create. No tarnishing a fine reputation with ugly rumors, even if they *were* true! The Queen of Egypt was no whore, merely a skilled practitioner and fine worker in the art of sex and power politics.

Power and control were both essential, and were both key to meeting her objective. No, ultimately they were the objective! Her current position was merely a vessel for holding those elements of life. A higher position simply represented a larger vessel, capable of holding a greater quantity of those elixirs, more power and more control, for the thirsty woman on her journey through life.

To safeguard the “good ol’ girls” network, and the participants, all would be secret. For this purpose, she set up a home computer, fax and voice mail system. Communications would be maintained separate from the auditable corporate world. For the office audience everything would look clean as the driven snow, while the real action went on behind the scenes.

On the surface, all the E4E power allocations appeared to be justified by business need. The stated objectives were job retention and job creation. However, the darker side ruled. *Power-for-power* was the deep, hidden force behind everything. The deals struck in the name of economic development were really done in the name of political gain.

All the while, I sat on the sidelines, off the main road, out of the real action. My time and skills were squandered. I complained to Ken Yost. Yet, there was nothing he could do. Eventually, there would be arbitration and then a reverse gender bias trial.

The Trial

The reverse gender bias trial seemed to drag on indefinitely. I had taken the stand and in the weeks before had covered a broad range of relevant and terribly damaging issues.

The Judge gaveled Court into session. After a few preliminaries, he nodded to my lawyer, Counselor Justman, and directed, “You may continue your questioning, Counselor.”

Q: Mr. Lawrence, please recall for us the events of September 11th, 2001?

A: I first became aware of the terrorist attack on the World Trade Center viewing Yahoo Finance Vision news on my desktop computer. It twisted my guts into a knot. Within minutes of the collapse, I realized that WTC *power* usage was gone, too. TEA had been the sole power supplier to the WTC. The power schedule developed by my group and implemented by the Energy Control Center or ECC had assumed WTC loads were present. The destruction of those electric demands would mean TEA was generating far more electricity than its remaining customers were using. I suspected that the ECC would call for an emergency update.

Q: Did you notify Ms. Morton?

A: Several minutes later, I went to Ms. Morton’s office. I found her sitting quietly, with a blank stare on her face, her skin white as ash. She appeared to be suffering from shock. I observed that, while I could do nothing about the tragic events unfolding before our very eyes, I could act to limit the impact on TEA, its customers and the State.

Q: What was Ms. Morton’s response?

A: She just nodded and kept staring at her TV monitor. So, I returned to my office and summoned our Chief Power Scheduling Engineer, Dr. Rob Irving for a brainstorming session. My personal preference was to take specific, affirmative action during a crisis.

Q: Did the ECC call?

A: Yes. Ken Yost, Sr. Vice President of the Transmission Business Unit had been in the ECC Control Room that morning and was giving out orders on how to manage the crisis. That initial call came under his direction.

Q: What did you do next?

A: We reasoned that in order to rebalance the power grid and to restore safe, reliable operation, we would need information on customers in the area later known as “Ground Zero.” Therefore, we contacted Helen May, Director Major Accounts.

Q: How did Ms. Morton react?

A: Yes. A few minutes later, she called me to her office. I thought it might be for an update. Instead, she stated, “You are upsetting people. Stop it!”

Q: What else did Ms. Morton say?

A: She exclaimed, “It’s not your job!” Yet, power scheduling was specifically written into my job description! She apparently had little concept of how the power grid operated, how TEA’s power generation schedules were used, and clearly was not receptive to an explanation.

Q: What transpired next?

A: I called Dr. Irving to my office and informed him of Ms. Morton’s very specific instructions. Dr. Irving asked that he *please* be allowed to finish. I pleaded with him to conclude that effort *quickly*. I dismissed him and called the ECC. They were very busy otherwise, so I left a brief voice mail message. Kevin Klein returned my call shortly thereafter, leaving an urgent reply voice message.

Q: We now submit Exhibit P-7. It is logged at 10:36AM September 11th, 2001 by the TEA digital voice mail system.

“This is Kevin Klein at the ECC. I understand the difficult position you are in. However, you need to know that the grid is *badly* damaged. We are running most generators out-of-merit to support minimum system reliability. Ken Yost and I are concerned the system is *extremely* vulnerable and we could see a Northeast blackout at any moment. That might also trigger a fuel meltdown at the Indian Ridge Nuclear Plants. As you know, some 10 million people live in close proximity to those nuclear plants. So, TEA has *got* to revise its power generating schedules *now!*”

Q: Did you return his call?

A: Yes, I called immediately. Mr. Klein suggested we “buck it up” the chain of command. It was our hope that reason might then prevail.

Q: Did you discuss the ECC request with Senior Vice President Ken Yost?

A: Yes. Ken Yost summoned me to his office for a “frank discussion.” I recounted Ms. Morton’s directives. He cursed her name aloud, but then regained his composure and stated that he would call her and explain their critical need. On his orders, we were to continue our emergency power scheduling efforts with *renewed* urgency.

Q: Did Mr. Yost call Ms. Morton and what was her reaction?

A: Yes. Immediately following this call, she came down to my office, stood in the doorway and emotionally proclaimed, “You are just trying to make me look bad to senior management. I’ve already told you what to do!” She then stormed out of my office.

Q: How did you and Mr. Yost deal with this?

A: I returned to Mr. Yost’s office. He had obviously received a similar reaction. We commiserated for a moment that few are capable of leading during a crisis like this one. He then ordered me to complete the work and just not tell her.

Q: What did you do?

A: I called Dr. Irving into my office again and asked him to finish the updates for Mr. Yost immediately, and to do it *quietly*, given Ms. Morton's highly emotional and unchanging directives. I noted that he had now received his orders, and then winked. He nodded knowingly, rose and returned to complete those emergency updates.

Q: Did the ECC make the needed adjustments?

A: Yes, Dr. Irving uploaded the emergency power generation schedules just 10 minutes later.

Q: Thank you, Mr. Lawrence. I truly appreciate what you and Dr. Irving did in preventing a Northeast blackout and an even worse catastrophe at the Indian Ridge nuclear station. My family is located in Mt. Kisco, within 10 miles from that plant!

Judge Andwalter then interrupted commenting, "Gee, my home isn't far from yours." and, "I believe that this would be a good point for a recess." He then adjourned the courtroom with instructions that the parties return at the appointed time. The trial continued for several more weeks and at its end, we were all completely exhausted.

The Opinion

"All rise." cried the Court Clerk as Judge Andwalter entered his courtroom. He began, "I have considered the many facts brought to light in this case. While it may have begun as a reverse gender-bias complaint, this case has revealed a far more complex pattern of incompetent, illegal abuses that go far beyond that initial concern. The arrogance, deceit, stupidity and outright premeditated wrong doing revealed here are appalling."

"It is my opinion that Ms. Morton and TEA are both guilty of premeditated reverse gender-bias."

"However, the gritty testimony presented here has revealed far more. Therefore, I refer the matter of documented political corruption in TEA's Energy for Employment power program to the State Attorney General's office. State public authorities, like TEA, were established to serve the public, not the greed and ambitions of their corrupt, self-promoting bureaucrats."

“But, how do we repay a dedicated public servant such as Chris Lawrence? Nothing can fully compensate for the destruction of his career. As a next best alternative, this Court awards the plaintiff a sum of \$4.5 million in compensatory and punitive damages, and directs his restitution to the position of Director – Pricing. Finally, I strongly suggest that TEA consider him for a promotion to head Marketing to fill a position that I believe will become vacant shortly.”

“That is my order and my opinion in this case. Bailiff, take Ms. Morton into custody to be held over for consideration of charges by the State Attorney General’s office. My order is that she be remanded to the custody of the Women’s Detention Center pending formal indictment.

Was Justice Done? The Judge had presented us with an outstanding outcome to this messy case. Yet, had justice really prevailed? Judge Andwalter (a Democrat) had decided the case against Ms. Morton and the administration she served. He had referred the case to the State Attorney General (a Democrat). Apparently, this case was about to launch two political careers!

So, was justice done for the right reasons? Were *all* the guilty punished? My guess was probably not. We would never really know if justice could be done. For how do you indict *all* those who were responsible for corrupting our political system?

I shook hands and thanked my attorney, and then left the courtroom. Outside Kathie threw her arms around me in a big hug and whispered, “I have the most marvelous plans for that money!” To which I softly replied, “Of course you do, my Princess.” We both broke into wide smiles and then Kathie replied with a sly, “Ha! You’ll pay for *that* remark!” I gave a playful wink in return, as it would be my pleasure to do just that!

-The End-