

STATE OF NEW YORK
COMMISSION ON PUBLIC INTEGRITY

IN THE MATTER OF AN INVESTIGATION INTO
SUSAN BRUNO'S WORK STATUS FOR THE STATE
UNIVERSITY OF NEW YORK RESEARCH
FOUNDATION

**TRANSCRIPT OF
INTERVIEW OF
TIMOTHY MURPHY**

MURELLO: Today's date is January 11, 2011 we are at the Commission on Public Integrity, 540 Broadway, Albany, New York and the time is 10:22 a.m.

SHEA: Please raise your right hand. Do you swear to tell the truth, the whole truth and nothing but the truth in this matter before the Office of Commission on Public Integrity`?

MURPHY: I do.

HOLOHAN: Good morning Mr. Murphy, as we discussed briefly off the record my name is Bridget Holohan, I am the Associate Counsel to the Commission on Public Integrity and I have been assigned to investigate the employment of Susan Bruno at the Research Foundation from approximately May of 3003 through March of 2009 and it is my understanding that you have been employed with

the Research Foundation during part or all of the time period, is that correct?

MURPHY: Part of it.

HOLOHAN: Okay.

HOLOHAN: Okay so I guess we will start with some, and you are here voluntarily, correct?

MURPHY: Yes I am.

SHEA: And you're not represented by counsel.

MURPHY: No, I'm not.

SHEA: Okay.

HOLOHAN: When were you employed by the Research Foundation?

MURPHY: Oh, from, this is an estimate, maybe from 1999 to 2007.

HOLOHAN: And what was your last title at the Research Foundation?

MURPHY: I was Executive Vice President and Chief Operating Officer.

HOLOHAN: And what dates did you hold those two positions.

MURPHY: That was always my position.

HOLOHAN: Okay so from 1999 to 2007 you were executive Vice President and Chief Operating Officer.

MURPHY: Yeah.

HOLOHAN: And just for the record, and before I forget, if we ask you questions in which may involve conversations that you had with Chris

Hannofin or other Counsels at the Research Foundation, please signal us, because that is a certain privilege that would be owned by the Research Foundation and we don't want to delve into those conversations, okay?

MURPHY: Okay.

HOLOHAN: And what were your duties as Executive Vice President and Chief Operating Officer?

MURPHY: I was responsible for running the Foundation day to day, I reported to the President of the Foundation.

HOLOHAN: And the President would be?

MURPHY: When I first started the president was Dr. Peter Salins, he was the Provost of the University, he was I think maybe two years later replaced by John O'Connor who was the Secretary of the University and the Vice Chancellor.

HOLOHAN: And as we mentioned earlier it is our understanding that in approximately May of 2003 Susan Bruno was hired by the Research Foundation is that correct?

MURPHY: If you say so, it sounds about right, I don't remember exact dates.

HOLOHAN: And were you at all involved in the hiring process that led to her selection?

MURPHY: No.

HOLOHAN: Are you familiar who was?

MURPHY: Yes.

HOLOHAN: Who was?

MURPHY: John O'Connor.

HOLOHAN: And how are you familiar with that?

MURPHY: He told me so.

HOLOHAN: What did he tell you?

MURPHY: He, in a meeting in his office he simply informed me that he was hiring Susan Bruno to work at the Research Foundation, I think we briefly discussed where she might fit. As I recall, I told him I really needed to see a resume and know something about her background. He told me he didn't have one but would get one.

HOLOHAN: Do you recall when this conversation occurred?

MURPHY: It occurred just before she went to work for us, literally a matter of days.

SHEA: Did you ever get a chance to see the resume?

MURPHY: About 6 months later, it took many requests.

HOLOHAN: So when you had this conversation with Mr. O'Connor in his office he was eliciting advice from you, and correct me if I am wrong, as to what position she might be able to fill. Was there a vacancy in any positions?

MURPHY: Not that I recall.

HOLOHAN: Did you provide him any advice as to where she might fit?

MURPHY: Well, the Research Foundation does a wide variety of activities and in the office they have everything from mailroom and clerical type work up through professional, auditors, accountants, lawyers, so I told him, I couldn't just randomly pick something to put her in. I didn't want to put her in a position that, and I didn't think anybody ought to put her in a position that she couldn't do, so he said he would get back to me.

HOLOHAN: Was this typical of Mr. O'Connor to let you know that someone had been hired, or would you more typically be involved in the hiring selection process?

MURPHY: Before John O'Connor, it was unheard of for me not to be involved in the hiring process. His predecessor never to my knowledge, hired anybody. Before John O'Connor the Presidents was almost an honorary title, it was simply a means for the University to maintain a connection to the Research Foundation and through for policy advising whatnot, Mr. O'Connor changed that and was much more directly involved. And some of the activities, particularly what I would call the peripheral activities and the main responsibility of the Foundation is to administer grants, he wasn't much interested in that

activity. But when Bob King became Chancellor he expanded the role of the Research Foundation to include government relations and John O'Connor got more involved in that kind of activity.

HOLOHAN: And when did chancellor King come on?

MURPHY: 2000 I think, I think January of 2000 I think he became.

SHEA: What do you mean by the term government relations?

MURPHY: Its not lobbying, well it involves some lobbying, it also involved many members of the Legislature and of Congress for that matter were interested in what was going on at the University, they would ask questions, they would want to visit campuses, they would want to get more information about researching being done and Bob thought that it would be useful for the University if there was an office that could be there to respond to those kind of things, but it also involved lobbying. We had a unit set up and they filed lobbying reports, they did formal lobbying, for and against, mostly for earmarks in Federal legislation. I don't recall any lobbying going on at the state level, all though it might have, I wasn't, as I say John pretty much managed that unit himself, and I was aware sort of what they were doing, what was going on but.

HOLOHAN: So Mr. O'Connor was more involved with the predecessor, especially as, again correct me if I am wrong, with the lobbying and

government relation aspect of the Research Foundation but how involved was he in hiring and human resources aspect of the foundation?

MURPHY: Depended on the level. You know generally staff he was not but anybody at a director level or Vice Presidential level, or higher he got involved.

HOLOHAN: Did you ever have any discussions with him as to why Susan Bruno was being hired?

MURPHY: Many, I got no answer.

HOLOHAN: So you raised the question?

MURPHY: I did, particularly after it became clear that when you ask someone for someone's resume and two weeks later you still don't have it, it is pretty obvious except to the stupid that they don't have one, and so I became concerned by that time he had placed her in the government relations unit, you know, and my multiple requests were almost always, in fact always answered with this is a place where, he would say things like, Susan is used to dealing with these political types, because of her role with her father. Mrs. Bruno was quite ill during this time period and so Susan stood in for her at fundraising events, social events with her father and so he would say, well she is used to that, she knows how to deal with these people in quotes and so he

placed her there but he never gave her any specific responsibilities which left her kind of floating, and you know as we discussed off the record. She came to me more than once and said I'm bored, I don't have anything to do, you know, give me something to do. Since she reported directly to Mr. O'Connor and I went to him and said Susan is bored, Susan wants something to do, and sometimes he would tell me, oh I am giving her something to do, I never really sure what but nevertheless she came to me three times that I can recall, and to my secretary many more times who she was conversational with.

SHEA: Who would that be?

MURPHY: Maryann Diamond. I believe she works with Mr. O'Connor today, but she went there, and did the same thing and said, I'm bored, I just sit at my desk all day, its.

HOLOHAN: So, alright lets try to break this down a little bit further, so when she was initially hired, to your knowledge she was hired without her resume?

MURPHY: That's right.

HOLOHAN: And you had made several requests for a copy of her resume?

MURPHY: Um hum.

HOLOHAN: And to the best of your knowledge, did you ever see a copy of her resume?

MURPHY: I saw a copy of a resume. It was a one pager, I discovered much later it contained erroneous information and at one point I do recall Susan telling me that people in John O'Connor's office helped her draft it. That she didn't actually have a resume when she came, which was not news to me.

SHEA: Did she identify who helped her?

MURPHY: She just said people in Mr. O'Connor's office.

HOLOHAN: What information was erroneous on the resume?

MURPHY: It implied a college education and she didn't have that. She went to a finishing school.

HOLOHAN: Did she have any college course work?

MURPHY: I think she might have had some, I can't recall exactly. She didn't have a degree, that was my principal concern, my HR director had raised the issue of this person at this level, we have standards for people at that level, the minimum is a Bachelors' Degree of some sort, she didn't have that. So we were going back and forth with John about we cant be going out and giving Director level jobs to people who don't have a college education. We get in trouble with the Labor Department when you do that.

HOLOHAN: And Ms. Bruno had a Director's levels job?

MURPHY: Oh yes, salary wise anyway.

HOLOHAN: And who was the human resource director that you were referring to?

MURPHY: Lynn Manning although, when she was first hired, it might have been someone else.

HOLOHAN: And she expressed concerns to you that Ms. Bruno didn't have the qualifications for the position she was hired?

MURPHY: Yes.

HOLOHAN: When did that conversation occur?

MURPHY: Oh, gosh, early on, within the first three months of Susan being hired.

HOLOHAN: And did you raise those concerns that Ms. Manning had to Mr. O'Connor?

MURPHY: Yes.

HOLOHAN: And what was his response?

MURPHY: No response at all.

HOLOHAN: And whose decision was it to put Ms. Bruno into the Federal Relations Division?

MURPHY: John O'Connor's.

HOLOHAN: And who did she direct to, report to excuse me?

MURPHY: Matt Behrmann. For a while anyway, at some point, I am not sure how long after she went to work, but at some point Matt came to me

and said, I don't really see Susan, I don't know what Susan's doing, I don't think it is working out, and so I told him you have to express those opinions to Mr. O'Connor but I did also, and at some point along the way he changed her job and she became his Executive Assistant, or Special Assistant, or some such title, he made up inaudible.

HOLOHAN: So when you say he changed her title.

MURPHY: It was John O'Connor.

SHEA: When did Behrmann approach you with these concerns was it within months of her joining?

MURPHY: It was within the first year of her joining and Matt expressed concerns almost from the beginning, that, you know he was concerned that Susan didn't have the tact skills necessary to, particularly since John was telling us anyways that she would be working with the State Legislature and Matt and I thought that that was inappropriate. Just because who was her father was, you know that's kind of like going up with a sledge hammer. I do recall a conversation where I told John I don't see the reason why we had to send Susan all you have to do is mention her and the people in the Legislature reacted to that, so, but it was something the Research

Foundation had not done in the past and it was pretty heavy handed, I thought.

HOLOHAN: Heavy handed in what respect?

MURPHY: Well I think, I think and I think, I think, this is my own personal opinion, I think John was using her to try and curry favor with certain people in the Legislature to get better appropriations for the University, better relations with, between the University and the Legislature, my own doubts about whether that worked or not, but I mean I think that was his intent, I think prior to that the Research Foundation had taken a very hands off approach. The University was responsible for government relations, they had a whole staff, if, you know if we had an issue, if a Bill came up and the Research Foundation had an issue with it, I mean I recall once a bill being proposed by someone that would require legislative review of every single grant received by the Research Foundation on behalf of the University, a process that would slow it up so much that most of us would run out before, and you know, but we went over, talked it over with the people on the SUNY side and they went up the hill and did there thing, you know we didn't have any direct involvement at all. My personal opinion was that we are fine for 50 years, I don't see why it cant continue to work fine.

SHEA: When you say the SUNY side are you talking about SUNY Central?

MURPHY: SUNY System Administration.

HOLOHAN: Did Mr. O'Connor ever express to you a concern that he had to hire her, Ms. Bruno?

MURPHY: NO.

HOLOHAN: Did he ever express to you that he had to keep her on?

MURPHY: Yes.

HOLOHAN: When did that occur?

MURPHY: We went through a lay off. When Bob King left and John Ryan became Chancellor he decided to move Federal Relations back over to SUNY System Administration, and so we disbanded that unit and Susan was technically attached to that. We did a layoff of a number of staff actually in that unit and a couple of others, and Susan was on my list, but I was told that she could not be laid off.

HOLOHAN: And do you recall when this occurred?

MURPHY: I don't. when King left and he was only there for a couple of years, but I don't recall the exact date.

HOLOHAN: Do you recall the other employees that were identified for layoff?

MURPHY: : Matt Behrmann, Beth Kempter, the Development Unit went to, Dr. Michael Lott, Ria Chase, who is his Administrative Assistant; there were others, lower staff, who I don't recall.

HOLOHAN: I'm going to take you back to when you said you saw Ms. Bruno's resume and I'm showing you what is down, can we agree in the lower right hand corner it says RF 00137.

MURPHY: Yup.

HOLOHAN: And it is entitled up top, it has Susan M. Bruno's name. Is that what you saw or did you see something different?

MURPHY: No I think this is what I saw.

HOLOHAN: Okay. And it is your understanding that this was prepared at least a couple of months after she started working at the Research Foundation?

MURPHY: Yes.

HOLOHAN: Is that typical?

MURPHY: No, absolutely not.

HOLOHAN: And it is your understanding that she confided in you that it was Research Foundation employees that helped her prepare this resume?

MURPHY: No, it was SUNY employees, the people that worked in John's office across the street are SUNY employees.

HOLOHAN: You mentioned earlier that Mr. Behrmann expressed to you concerns that Ms. Bruno wasn't working out. Could you describe what he meant by that phrase?

MURPHY: I think he was frustrated because he wasn't sure what she was doing, when or where. I think that he was concerned that she was, she had a tendency to exercise more initiative than what's appropriate, to call people and talk with people that we weren't necessarily ready to call and talk to. I think his major concern was since he couldn't control what she was doing, he didn't want to be responsible for her, the results of that.

HOLOHAN: And you indicated that you instructed him to share those concerns with Mr. O'Connor.

MURPHY: Yup.

HOLOHAN: Do you know whether or not he did?

MURPHY: Yes he did.

HOLOHAN: How do you know that?

MURPHY: He told me that and John told me that.

HOLOHAN: And did Mr. Behrmann share with you at all Mr. O'Connor's reaction?

MURPHY: He told me that John basically had no reaction other than saying, I'll think about it.

HOLOHAN: And when Mr. O'Connor shared with you the conversation that he had had with Mr. Behrmann what did he share with you?

MURPHY: He told him what Matt had, you know, in general terms what Matt had said and he asked if, he asked if there was someplace else she would fit in the Foundation. I told him I didn't think so and as I recall anyway, that's when he decided that she was going to be his Special Assistant.

HOLOHAN: : Had anyone been in the title of Special Assistant to the President prior to Ms. Bruno?

MURPHY: : Not that I am aware of.

HOLOHAN: I'm going to show you what is marked, what us lawyers call Bates Stamped in the lower right hand corner RFOO 124.

MURPHY: Okay.

HOLOHAN: And ask you to review it, after you have had an opportunity just let me know.

MURPHY: Okay.

HOLOHAN: And what is this, 124 read.

MURPHY: What is it?

HOLOHAN: Yes.

MURPHY: It's a memo, I don't understand the question.

HOLOHAN: Okay, is it fair that this is an email communication?

MURPHY: Oh yes.

HOLOHAN: Okay and what is the subject of the email communication?

MURPHY: The subject is the change in title for Susan Bruno.

HOLOHAN: And what is the date of the email?

MURPHY: April 2004.

HOLOHAN: So does, is that sound about right as to when Ms. Bruno went from reporting to Mr. Behrmann to reporting to Mr. O'Connor?

MURPHY: Well, officially.

HOLOHAN: Okay, what do you mean by that?

MURPHY: Well unofficially, she always reported to Mr. O'Connor but this became official at this point.

HOLOHAN: Okay, so I guess I need a better understanding of how did she unofficially report to Mr. O'Connor but officially report to Mr. Behrmann?

MURPHY: Well she worked in his unit so I mean the Unit Directors are responsible for the staff in their unit but as I indicated earlier John was more involved in the activities of the Research, some of the activities of the Research Foundation than his predecessors, so he felt free to contact some individuals directly and Susan was one of them.

HOLOHAN: And would he give her assignments directly?

MURPHY: Yes.

HOLOHAN: Prior to May 2004.

MURPHY: Yes.

HOLOHAN: And to your knowledge did she perform the duties that he assigned to her?

MURPHY: I have no idea since I don't know what those assignments were, all I would get from John is you know, I have given Susan tasks to do; I never knew what they were, with one or two exceptions. I do recall him telling me at one point that he had asked Susan to help him make arrangements for a trip by several Community College Presidents to Great Brittan as part of a visit to the Dichley, run by the Dichley foundation, I have no idea what that is, but it is something that he was involved in, which I was never sure the purpose of the meeting. At least two of the Community College Presidents who went told me the exact same thing after they went, I mean they weren't sure why they went there, but I know that he told me she had helped him set that up, do the arrangements and so I assumed that was true, I don't know.

HOLOHAN: And you said there was another exception where he told you work she was doing?

MURPHY: He told me he had asked her the University wanted to contact some of the well, he told me the University wanted to contact some of the, I'll call high rollers in the state and he told me that Susan had contact

with that group of people and knew how to contact them and he had asked her to help him set up a meeting with them, people like Mayor Blumberg for example, and he also, I am just trying to make sure that I got this straight, he told me that he had asked her to help him arrange a series of meetings with representatives of the, it runs out of my head, the Rhodes scholarship people, that Chancellor Ryan had asked why the University did not generate as many Rhodes Scholars as similarly sized Universities, and John asked Susan to help him arrange a series of meetings with people from the Rhodes Scholarship Foundation I guess, or whatever it is called and as far as I know she did, I mean I know they had at least one meeting, I'm not sure it went very far, the campuses consider that their business and not system administration business. At SUNY it is all about competing with yourself so, you know, I know they held the meeting, I know that the four University Centers and maybe some of the four year colleges sent representatives either their President or their Provost to sit in on the meeting, as far as I know nothing ever came of it, but I think Susan did help him with that.

HOLOHAN: And it does sound, and correct me if I am wrong, but sometimes her last name did help the Research Foundation get their foot in the door?

MURPHY: Critical, I mean it wasn't like we hadn't tried to contact, not us, but people at SUNY had tried before, but Bruno opens more doors than Murphy does. Murphy tends to shut doors.

HOLOHAN: So in May of 2004 it looks like officially her title has changed and know she also officially reports to Mr. O'Connor is that correct?

MURPHY: Yup.

HOLOHAN: And to your knowledge he would be the one to say, sign off on her timesheet, correct?

MURPHY: Yup.

HOLOHAN: Now we have some indication that it appears that at some point Ms. Bruno started worked working from home, is that correct?

MURPHY: Yes.

HOLOHAN: Do you recall when that occurred?

MURPHY: I don't, it was fairly soon.

HOLOHAN: Was it before or after this May 2004 title, official title changed?

MURPHY: Well it happened gradually, it wasn't like two Tuesday she came in every single day and then went from then on, we never saw her again, it was she would some days she would call and say I have nothing to do today I am just going to stay home. Other days she would be there for a few hours and then say, I leaving, I'm done. That would, the Foundation had no policy for such a thing. I raised

the issue with John several times, his response amounted to don't worry about it, I mean he would say, I'm aware of it, and I'm fine with it.

HOLOHAN: Now you raised what issue with him?

MURPHY: The fact that she was calling in saying that I'm going to work from home. We had no real policy regarding that, and in fact some employees who had asked had been told no, and the fact that it was Ad hoc, I mean eventually it reached a point where we never saw her. And at the time that we were pressed for space at 35 State and I really could have used her office as a meeting room I was told we had to preserve her office so we did. We still used it as a meeting space, but I saw her less and less and eventually I didn't really see her at all.

HOLOHAN: Do you know whether she was working from home?

MURPHY: Well, I don't know. I do know that she would call my secretary and say I have nothing to do, I am staying home, so that tells me that she had nothing to do.

HOLOHAN: And that is Ms. Diamond?

MURPHY: Yes.

SHEA: I'm sorry I thought Ms. Diamond was John O'Connor's secretary.

MURPHY: She was my secretary until I retired, she is his secretary today, or one of them, I think he has three or something.

HOLOHAN: You mentioned earlier that Ms. Bruno would come to you saying she was bored, was that early on in her tenure?

MURPHY: It was, it was I am going to say it was maybe once before she became John's Special Assistant, and a couple of times after that, although I think it was probably fairly close in time together, I think one of the reasons why she became his Special Assistant was because she was telling people, you know I don't have anything to do. From my perspective Susan was an innocent party in this, I don't know what her expectation was when she was offered the job at the RF, we never talked about it, but what was clear to me was she expected to do something, and she was quite frustrated by the fact that either John either gave her no assignments or assignments that were so minor that they didn't qualify as assignments, I mean I remember once when she talked to Maryann and I, my secretary was standing at her desk, Maryann's desk and she said, she was talking about the meeting with the Rhodes Scholarship people and you know I said well it must be difficult setting that up, and she said no it wasn't it took ten minutes. So you know she made a phone call, you know as we said earlier, Bruno opens doors, those people took her

call and agreed to come up for a meeting, and it didn't take very much and then now she was bored again, so then I felt sorry for her to be honest I thought she had some skills and that they could have been put to use somehow.

HOLOHAN: Can you provide any insight as to why Mr. O'Connor chose not to use those skills`?

MURPHY: I can only provide my opinion, alright, we did not have intimate conversations about it but I did work for the man for a good long time and my experience, that experience tells me that hiring Susan Bruno was not his idea. My guess is that it was Tom Egan's idea and that Tom Egan, then Chairman of the SUNY Board of Trustees and Joe Bruno must have had a conversation, all put together in my head, based on bits and pieces of what I heard and that Joe had indicated that his daughter was kind of unhappy up at the Legislature and probably wondered if there were somewhere in SUNY where she could work and you know Egan went to O'Connor and said find a place for her since hiring her on the SUNY side was problematic I'm sure from O'Connor's perspective hiring her at the RF was far easier and was far less publicly noticeable. Hiring somebody in a state job at \$80,000 or even \$60,000 will generate questions from the Controllars office, like where is the resume, who is this person, the

Foundation it was much more flexible for him, so I think that is how Susan got hired, it wasn't the only case like that, there were other people, Michael Burke, for example, another person that I know that we hired at the request of Don Egan and another person who, in my opinion didn't do anything, or if he did anything it turned out so hideously negative you wouldn't ask him to do it a second time, so but I think, its my, in my own head, I don't think it is in John O'Connor's nature to do these things on his own, you know he is an enabler for lack of a better word, you know I think he worked for people like Egan and the Chancellor who would say, can we do this and he would go out and find a way to get it done. I think unfortunately in Susan's case, they didn't give it a whole lot of thought, their thinking was look, Joe wanted her to be put somewhere where she would be happy. For awhile she told me she was happy at the Research Foundation, you know she should be happy for that and stop complaining.

HOLOHAN: Did you ever have any conversations with Senator Bruno regarding his daughter's employment at the Research Foundation?

MURPHY: Nothing formal, he stopped by once, that I remember, and we joked around about this is the guy that works for Susan kind of thing, you know, chuckle, chuckle, he made some comment about you know

Susan had complained that he never stopped by to see her office but he stopped by to see his son's office across the street, Joe Jr. worked at the Construction Fund. So, he stopped by one day for a visit but there was nothing more to it than that.

HOLOHAN: Do you know whether he made any phone calls to anyone at, this is Senator Bruno, anyone at the Research Foundation regarding his daughter's employment, or the terms of her employment?

MURPHY: I was never told that, and I think I would have been told that. The staff was quite good at letting me know if somebody from the Governors office called, for example or if Senator Bruno and I do recall once we had a call from the Speaker's office asking for certain information even though it was low level staff, they quickly called and said, oh, oh, because the rule was all that stuff was handled by SUNY so if he had any issues he discussed them with John O'Connor not with me or anybody else that I know of.

HOLOHAN: Going back to when Mr. Behrmann was signing Ms. Bruno's timesheets, did he ever discuss with you docking her leave, or docking her pay?

MURPHY: There was an issue early on, Susan took sick leave to care for her mother and she didn't have any sick leave, she hadn't accumulated enough, and he raised that issue with me, I discussed it with John,

who basically decided to let her bank that and use it now and earn it later, kind on thinking it is an unusual arrangement, I was, I think I was told once, it was not unheard of at the RF although I was unaware of any case. I recall it because I had just interviewed someone for a job who said they wanted the first two weeks off for vacation, and we had been joking around about how they weren't being called back for another interview so, you know then this popped up and you know I said, John makes those calls, so he said let her bank it so we did.

HOLOHAN: Who at the Research Foundation, other than Mr. O'Connor would be able to talk about what Ms. Bruno did on a day to day basis?

MURPHY: After this date, nobody.

HOLOHAN: Why?

MURPHY: I can't remember seeing her after that day except informally bumped into her once in a while, but she, you know, she would go to his office over at SUNY and I recall occasions when the staff was over delivering something or going back and forth and they would say, oh I saw Susan over in John O'Connor's office sitting somewhere, she said she was bored, but she would stop by and kind of hang out over there, but we didn't see her, and eventually she stopped hanging out over there too.

HOLOHAN: Okay so I guess that I need some background here, so does Mr. O'Connor have an office at 35 State?

MURPHY: No.

HOLOHAN: Okay.

MURPHY: He made us, set aside an empty office for him he never once used it, and that was unprecedented. None of his predecessors did that.

HOLOHAN: Had an office?

MURPHY: Right.

HOLOHAN: So how would Research Foundation staff report to Mr. O'Connor on a daily basis, would they contact him at his SUNY office?

MURPHY: Um hum.

HOLOHAN: Is that like right across the street?

MURPHY: Yes, and it wasn't like lots of staff were contacting him, it was Vice Presidents and myself, you know, lower level staff would never gotten through to him.

SHEA: What are we talking about 5 people maybe 8 people?

MURPHY: It varied, you know over the time, you know there were me, the Counsel, the Treasurer and then four or five Vice Presidents maybe as many as 6 at one time.

SHEA: So maybe 9 a mixed 9.

MURPHY: Yeah, and mostly even that was except for individual occasions when for example, he would, when we hired Michael Burke, he called the Vice President for Human Resources to come over and met individually but in most cases we had a weekly meeting with him and that was, other than that, I was pretty much the only one who met with him off that, rare occasions he would call the Counsel to come over to discuss something or the Treasurer, but finances were not his interest and he would only talk to the Counsel when we were getting complaints from campus' that something was not going well.

HOLOHAN: So is it possible that Ms. Bruno was reporting to work over at his SUNY office?

MURPHY: Yeah, its possible, I asked once. I asked Jean Palmo, who was his Senior Administrative Assistant at the time, I said, do you guys see Susan a lot and she said no, so.

HOLOHAN: So this was his assistant for his SUNY title?

MURPHY: Yes.

HOLOHAN: And what's her name again?

MURPHY: Jean Palmo, P-a-l-m-o, she's retired.

HOLOHAN: Do you know if she is still local?

MURPHY: Yes, I believe she lives in Cohoes I think.

SHEA: Were going to switch the tape.

HOLOHAN: Okay.

MURELLO: And we have flipped the tape.

HOLOHAN: And now you left the Research Foundation in 2007, that is correct?

MURPHY: Yes.

HOLOHAN: And so at the time you left Ms. Bruno was still working at the Research Foundation?

MURPHY: Yes.

HOLOHAN: And you retired?

MURPHY: Yes. It hadn't been my intent but I was diagnosed with bladder cancer and as luck would have it, that occurred near my potential available retirement date, so I did some quick finances and discovered that I was able to retire at 55 and so I did. I thought the cancer needed my full attention, my urologist actually has bladder cancer, he actually told me that the stress of my job had probably caused that so, and since that every time I see someone they say, and gee you look great.

HOLOHAN: Other than Mr. O'Connor and Mr. Behrmann did you ever have any other conversations with anyone else at the Research Foundation regarding Ms. Bruno's employment there?

MURPHY: Jeepers it is hard to know where to start, you know it was the subject of a great deal of conversation by staff, particularly when the lay offs occurred. The Research Foundation had always been kind of insulated from the kind of politics and people didn't understand why are we laying off people in the Grants Management Unit, which is under stress, but not her, so, I mean there lots of those conversations, why can't we use that office, why, you know, why, why, why.

HOLOHAN: With whom did you have these conversations?

MURPHY: It was from the Vice Presidents down to individual staff who, my management style is, you know, was very open, I encouraged people if you see me in the hall and you got a question ask me, and people, after a couple of years, people believed that, and I meant it, so people would just walk up to me and just say how come we can't use that office, you know, the office next to yours, and how comes Susan Bruno stays on here on the payroll.

HOLOHAN: Is Lynn Manning an individual that you had this conversation with?

MURPHY: Oh sure.

HOLOHAN: How about Bonnie Boyce?

MURPHY: Sure.

HOLOHAN: Cathy Kasluga?

MURPHY: Yeah.

HOLOHAN: And what was Ms. Manning's position on Ms. Bruno's employment?

MURPHY: Well I think at one point I recall maybe maybe Bonnie, Jim Denehy, who was the General Counsel at the time, myself and Lynn had a conversation about that, and Jim's position, well, it's Counsel so I don't know if you want to discuss that or not, my conversations with Lynn separately were, you know, we are a private corporation, it is not my choice to hire people who don't do anything, or to appear not to be doing anything, on the other hand, I'm not aware of anything in the law that makes that illegal so, and I said to her, if you can come to me with something from Federal Law or State Law that says you may not do this, you know, I said fine, do that, otherwise were just going to have to deal with it, you know roll with it, because John isn't going relent, I went to him, you know I told him that she was a problem and she really needed to go, and that was not an issue. I did that four or live times until finally he told me not to raise that as an issue anymore, so another reason why I believed it was not wholly him, because my experience with John was under those circumstances he would have said get rid of the person, but I don't think he could, so we had to deal with it, and that's what I would tell people, it is what it is.

HOLOHAN: So when the layoffs started who was involved in the process of deciding what titles would be subject to the layoffs?

MURPHY: I don't think we don't take that approach, that is state approach, we have, the corporation worked differently, what I did was, I sat down with Bonnie, we figured out budgetary where cuts needed to occur and I told each of the Vice Presidents, you need to cut x amount of money, some of them came back and said, for example in the IT shop, the Vice President for IT came back and said I can cut half of this amount by changing my service contracts, okay, that works for me, you know, other people came back and said I am going to have to layoff people, and here is the list of the people and they picked and chose based on there own judgments as to which portions of their responsibility would take the, you know I remember Lynn she cut staff in her Pension Unit, because she thought she could take the hit there, and I let each of the Vice Presidents make those decisions so.

HOLOHAN: So since Ms. Bruno was reporting directly to Mr. O'Connor it would have been his call as to *who* in his unit would be subject to the layoffs?

MURPHY: That's right, no one in his unit was subject to layoff, he made that very clear right off the bat.

HOLOHAN: After you retired, do you recall a Times Union article that came out regarding Ms. Bruno's employment?

MURPHY: I certainly do. I had, I mean I read the Times Union from cover to cover but if I had missed it one of the 50 emails that were sent to me hey did you see this, so would have sent me to it, so yes, I saw them.

HOLOHAN: I'm gonna pause for a minute.

MURELLO: The time is 11:19 we are back on the record.

HOLOHAN: Mr. Murphy I am going to show you what, can we agree on the top says, Times Union.com and it is entitled, it is an article entitled Foundation under Scrutiny, and just take a moment to review that, and after you had that opportunity just let me know.

MURPHY: I wonder how somebody who works for the assembly can describe an employee as autonomous, what does that mean, I remember this article.

HOLOHAN: Are you in, or were you in a position at the Research Foundation to judge the accuracy of the Times Union article?

MURPHY: Some of it.

HOLOHAN: What portions?

MURPHY: The portion I was not able to do, let's start with that, was the discussion in here about Susan's fundraising activities on behalf of Maritime. I think I had only really vague notion that she was doing

something involving Maritime, but I was never really sure what that was. I do know at one point that was part of the concern raised by Matt Behrmann, but you know its I told him that I was not aware of the specifics of that and he should really discuss that with John O'Connor.

HOLOHAN: Okay let's delve into this a little bit more deeply. What were you aware that she was doing on the Maritime fundraising project?

MURPHY: I only knew that she was helping them try to obtain funds for a project on the campus, I'm not sure what it was. I know, or at least I was under the impression that they had approached several sources including the federal government and the state government for funding, maybe it was money to replace their ship. I can't remember but it was some sort of project and Matt had come in and said Susan had been making calls to individuals that he thought it was inappropriate.

HOLOHAN: Why did he feel it was inappropriate?

MURPHY: Because he, they were political donors and he didn't think that SUNY should be raising money from people who were, who were not normal Maritime donors. You know at a college you donors are basically your graduates, your faculty and staff and then people who might have a business relationship with the place. So you know if

you are a Maritime shipping company and you hire people who graduate for there, well you might be expected to make a donation. But if your I'm just making this up but if you're a building contractor and you have nothing to do with Maritime, why would you donate the money. If you are a political donor to somebody and you had no other connection to an organization why would you donate money, unless somebody with the right name came and asked you to do so, and that's why I think that is what Matt's concern was these are people who will think, oh Susan's daughter asked me to do this, now I have got another check with Joe, and that was not the intent, it was not the purpose, and frankly I think Matt was beside himself when he found out about that so.

HOLOHAN: What else were you not in a position to know the accuracy of?

MURPHY: Oh, I actually know much of this stuff, I knew that there were issues with her claiming that she had gone to Cobleskill, I mean we had checked into that ourselves, it was very hard, you know we have the same contacts at SUNY colleges as anyone else at SUNY. I know that Lynn Manning, had, somebody in HR anyway, called there and gotten the same kind of response, so I knew there were problems with her resume, we talked about that.

HOLOHAN: Would her years in the Legislature though have given the experience needed to work in the Federal Relations Unit?

MURPHY: Not necessarily.

HOLOHAN: Why not?

MURPHY: Well, because I think the Legislature has many jobs, you know if you worked in Legislative Bill Drafting Commission, I don't know where that gives you any entree into governmental relations, you know if you were a staff person, I don't know if you were receptionist in a senator or assemblyman's office I don't know that that makes you an expert in federal relations. I think there were some staff, secretaries of certain committees and you know others senior staff, who would have fit, but I am not aware that Susan ever held a position like that.

SHEA: Would you agree that there are people who do not have college degrees but because of their ability they are able to rise in organizations?

MURPHY: Absolutely.

SHEA: Was there anything that you saw in Susan Bruno that gave you the impression that she was one of these people?

MURPHY: No, put this delicately but I think Susan had some issues. I don't think she had, I mean I would not have judged her as having the skill

set or even the potential skill set to do the kind of work she had been asked to do, I just don't, I never saw it, you know that kind of job requires a lot of tact.

SHEA: We have heard her described as a bull in a china shop.

MURPHY: INAUDIBLE, I would agree with that assessment, I mean I think she was earnest and she was well meaning but she didn't understand the nature of the beast, she had the skill set that something who watched something happen from a distance would have and then think to themselves, I used to hear this all the time, from people who had watched me work and then say to me your job is easy, I could do that, and I would say, feel free, come in and do it, but that was her kind of approach was, oh, I watched lobbyist lobby my father, I know, I can do that, no you can't, if that were the case, everyone would be a lobbyist, but you know the good lobbyist have a whole skill set that she did not have and that she wasn't going to have. There was just the tact and the diplomacy that is required in those settings. It is almost like running into someone who says to you, a nightmare at the Comptrollers Office that came true, but you know you have to pay to play, well you know if your good at your job you don't ever ever say that at loud, but you know there arc people out there and I think Susan had the tact to know what could be said, and

what shouldn't be said, and what might be said, and I also don't think she really understood how people would interpret that, you know I think that in many cases she thought, oh this is a friend of my fathers, but I don't think they were friends of Joe Bruno at all I think they were people looking for a political connection.

SHEA: It was a business connection.

MURPHY: Yes.

SHEA: Or a political connection.

MURPHY: Yes, and I don't think she understood that distinction, I think she thought, oh, these are my father's friends.

SHEA: This sounds like she was naive?

MURPHY: Very, almost childlike in that, she was I don't want to disparage her, and I don't have professional background to make judgments like that it is just my observation, she was very naive, very unguarded in much of what she did. And she was getting much, she wasn't getting any, as far I could tell, she was getting any ardence at all. You know I don't know if she was trainable, but no effort was made to train her, you know John O'Connor never said to me is there somewhere we can send Susan, where they can, for INAUDIBLE, there is no such thing as a lobbying school, but there might be, you know, I mean I actually once in a more general context when we began lobbying I

said, gee somebody in the state must have, the Lobbying Commission, somebody must put on a seminar, you can go to where they can tell you, this is what you can do, this is what you can't do, kind of thing, you know, but John never suggested that we send Susan to that and so I think she was hopelessly out of her depth.

HOLOHAN: When she was at the Research Foundation and you were at the Research Foundation were there any instances or did anyone ever complain about media camped outside the building, waiting to follow her home, or talk to her on her lunch break

MURPHY: I don't remember that while I was there, I heard about that after I retired.

HOLOHAN: Who did you hear that from`?

MURPHY: Oh I heard it from, I can't remember exactly specifically, Maryanne I think at one point told me, we still go to lunch once in a while, she told me that reporters were bugging Susan.

HOLOHAN: At the building?

MURPHY: At the building, at home, you know she and Susan were friendly, so Susan would call her once in while and just chat about her mom, and how things were going, and I'm bored and so I did hear, I didn't hear that it was a giant issue, I just knew that the Times Union and Joe Bruno were oil and water and I think once they got via it is reported

in the article that the FBI was asking questions, they were all over it, so no one should have been surprised.

HOLOHAN: Did Ms. Bruno ever express to you any stress with the Federal investigation with her father?

MURPHY: No, no I think, I knew a mutual friend of Joe Bruno, Joe Magno, the guy who lived next door to him, he worked at SUNY at one time, he actually lives right next door to the Bruno's and he knows them and he told me once that Joe would go out of his way to keep his daughter at arms length from what was going on around him, so my guess is that what Susan knew was only what she picked up through the media about that investigation and I'm sure that Joe was telling her that you don't have to worry about it, so and he was hyper protective of her.

HOLOHAN: You had mentioned that the Times Union and Senator Bruno were like oil and water; do you think that the article Foundation under Scrutiny was unfair in any respect?

MURPHY: No, nope I don't, I thought it was very well done. For the record I will say this, the, when the Research Foundation was formed I think it really was a separate organization, 50 years ago I think the Research Foundation had a Board of Directors that was comprised entirely of outside members except for the Chancellor who was

exofficio, but everyone else was not a SUNY employee, not an RF employee they were outsiders, and I think I that at time the two organizations were separate, at some point before I arrived they began adding Presidents, Campus Presidents to the board, by the time I got there I think there were only four outside members and through the Campus Presidents exercised a great deal of control over the thing, you know over the Research Foundation and what I got there I had a discussion with staff about how we undo that, I thought that was inappropriate, and on several occasions I went to John O'Connor and said we need to move the Presidents off the board and replace them with outside members, otherwise you're going to have problems down the road, someone is going to look at this and say, your about as separate an organization as the Department of Commerce is, from the government because it is full of, you know it is run, you know the President and the entire board is composed of SUNY officials, how separate can that be, you know it is like saying Empire State Development is somehow separate because they incorporated it, you know give me a break. He didn't want to hear, he didn't believe it or he didn't think it was an issue and he just would not, actually in response to my complaints, he added another President to the Board so, you know and at one point they wanted to

add Community College Presidents who we don't have anything to do with. The Research Foundation had no relationship whatsoever with Community Colleges, but we added one of the community college presidents to the board so over time, and I had this conversation with John, you know I said, the Foundation is less and less a private corporation and more and more a state agency and this is going to come back to bite the organization and you, at some point. Someone is going to say, you know it is virtually, if not reality a state agency, you did these actions and they were wrong. And I was wrong, I was absolutely wrong, so that is part of the frustration that led me to conclude that a cancer diagnosis was as good as any to say I'm bailing.

SHEA: You just said something that Community Colleges had no relationship with the Research Foundation?

MURPHY: No, we deal only with the four year schools, only with the, actually campuses controlled by SUNY itself, the Community Colleges are controlled by their individual counties, so we don't manage, the Research Foundation does not manage any of the research that goes on at the Community Colleges, we don't process it, we don't manage it, we don't, nothing.

SHEA: You don't advocate for grants for the community colleges?

HOLOHAN: Or for earmarks?

MURPHY: Oh, they did when they existed, but peripheral thing and it was, that whole operation was a short lived, its, it was a result of a frustration, you know Bob King wanted the University to be advocating for itself for, the staff that existed at the University, he perceived, or he concluded were incapable of that and so he created this unit at the Research Foundation and asked them to do it. You know it was the occasional grant would go for Community College here or there but 99% of what they worked on the ag and tech schools, the four years schools and for the most part, at the four university centers and the medical schools.

MURELLO: Shall we close?

HOLOHAN: I think so unless you have anything that you think would be helpful to our inquiry.

MURPHY: I just want you to know I received a call from Michael Koenig several weeks ago.

HOLOHAN: We are going to go off the record on that.

MURELLO: The time is 11:39 and we are off the record