

FORMER MAYOR BILL DE BLASIO'S CASE NOW BEFORE APPELLATE COURT — EXPOSING THE DEPTHS OF CORRUPTION AND POLITICAL FAVORITISM IN CITY HALL

**Appellate Division First Department Docket NOS. 2024-01788 & 2024-02298
New York Supreme Court Case #158766-2020**

Written by attorney for New York Supreme Court Case, Ayall Schanzer

New York, NY – June 6, 2025 — A pivotal appellate case now under review threatens to expose a far-reaching corruption scandal implicating former New York City Mayor Bill de Blasio, billionaire political donor Aaron Sosnick, and a web of lobbyists and public officials in what plaintiffs argue is a textbook violation of the federal RICO Act and the New York City Charter and fraud designed to crush a lawful project and seize control of the property for personal gain.

At the heart of the case lies Mayor de Blasio's unlawful intervention in the redevelopment of a former public school building on East 9th Street into a university dormitory—an “as-of-right” project that the Department of Buildings had already approved under longstanding city zoning rules. Despite being told explicitly by his own legal and planning staff that he had no authority to interfere, the mayor allegedly bowed to political pressure and campaign support offered by Sosnick, one of the Democratic Party's largest donors, whose personal grievance was that the project would obstruct the air and light from his nearby apartment.

To obstruct the development, Sosnick retained veteran political lobbyist George Arzt, who advised against mounting a legal challenge through the condo board. Instead, Arzt directed Sosnick to create the illusion of community opposition by secretly funding a sham 501(c)(3) nonprofit. This entity falsely claimed a public mission on IRS filings while functioning as a private tool to halt the project. Behind the scenes, Sosnick's team provided undisclosed loans and financial support to a local City Council member to secure her opposition to the development. Communications were deliberately funneled through private email accounts to evade public records laws and shield the conspiracy from scrutiny. These acts, plaintiffs argue, were part of a coordinated effort to weaponize the political system and obstruct lawful development.

Perhaps most shockingly, the complaint alleges that Sosnick, through his lobbyist, offered Mayor de Blasio \$50 million to purchase the property—even though the City did not own the property, nor had any stated use for it. This extraordinary offer, made to facilitate the obstruction of a private development for a donor's personal benefit, underscores the extreme abuse of influence alleged in the case.

The pretense used to justify the denial of the project—the so-called “Dorm Rule”—was, according to the record, a legal fiction. The Dorm Rule had never been applied in the manner used against developer Gregg Singer, either before or since. Though Singer had binding leases in place with Adelphi University, fully satisfying the legal requirements for dormitory use, City

Hall—under pressure from Sosnick and his lobbyists—arbitrarily denied the permits. In a disturbing revelation, it is further alleged that Sosnick’s team directly approached the president of Adelphi University and disparaged Singer, using intimidation tactics and veiled threats to convince the university to withdraw from the project.

Despite no legal basis and no consistent application of the Dorm Rule to similar projects, Mayor de Blasio overruled the Department of Buildings, killed the dormitory development, and halted what would have been a critically needed affordable student housing solution in the East Village—all to appease a politically connected billionaire donor and protect his own political future. To put the final nail in the coffin of this project, Sosnick induced De Blasio to publicly announce the City’s intention to take the property through eminent domain a baseless pronouncement as City Hall had no intention of ever doing so.

This public pronouncement, allegedly made to serve Sosnick’s interests, had the desired effect: it drove away prospective tenants, chilled financing efforts, and ultimately destabilized Singer’s position with his lenders. The negative press, fueled by a campaign of misinformation and astrofurfed outrage, undermined the project’s financial viability. Sosnick’s broader plan, plaintiffs argue, was to destroy the property’s market value and force it into distress—at which point he could acquire it at a steep discount.

In the end, the strategy worked. After years of sustained interference and financial sabotage, the building entered bankruptcy. Sosnick was then able to purchase the property for a fraction of its value having effectively manipulated the political process, the media narrative, and the property’s financial structure to his advantage. “This is not just a story of one development project derailed,” said a spokesperson for the plaintiffs. “It is a case study in how unchecked wealth and political influence can subvert the public interest, twist the law, and corrupt the very institutions meant to protect fairness and transparency in New York City.”

The appellate court is now reviewing whether the totality of these actions—fraud, misuse of nonprofits, manipulation of public policy, and interference with lawful governmental functions—constitutes a criminal conspiracy under federal racketeering statutes. The outcome may set a defining precedent for how cities and courts respond to political favoritism and private corruption in land use and governance.

A ruling is anticipated later this year.

Media Contact:

Ayall Schanzer
(914) 882-2802
ayall@hayesschanzer.com

For more information: corruption.nyc