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Drop Dead brings the reader back to the New York City of the 1970s, when mob bosses ran entire industries and were on a first-name basis with mayors, governors, and presidential aspirants, when the fix was in on nearly everything, and you needed a "connected" lawyer to get anything done.

Everyone who was anyone was in on the grift. The characters included politicians like Mayor Abe Beame, governors Hugh Carey and Nelson Rockefeller, House Majority Leader Tip O'Neill, and President Gerald Ford; fixer lawyers like Roy Cohn, Bill Shea (of Shea Stadium fame), and Bunny Lindbaum (Fred Trump's fixer); bankers like David Rockefeller and Citibank/Citicorp CEO Walter Wriston (the most influential commercial banker of his time); and real estate developers like Fred Trump and his son Donald.

Drop Dead is a cautionary exposé that amply demonstrates how the game of politics, banking, law, and real estate was played in New York City in the 1970s. It is a warning for those playing the same games today for even higher stakes in every city, nationally and internationally.



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Front cover: left, center, and right-hand photos: Gerald Ford Presidential Library/NARA. Second from left: Ronald Reagan Presidential Library/NARA. Second from right: Bernard Gotfryd Photograph Collection/Library of Congress. Back cover: AP Photo.

Regan Arts.

NEW YORK CITY IN THE 1970S WAS A CULTURE OF OPEN CORRUPTION. EVERYONE WHO WAS ANYONE WAS IN ON THE GRIFT.



DROP DEAD

RICHARD E. FARLEY

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DROP DEAD

How a Coterie of Corrupt Politicians, Bankers, Lawyers, Spinmeisters, and Mobsters Bankrupted New York, Got Bailed Out, Blamed the President, and Went Back to Business as Usual (And It Might Be Happening Again)

RICHARD E. FARLEY



FORD TO CITY: DROP DEAD

It's the most famous tabloid headline of all time (with apologies to "Headless Body in Topless Bar").

It also supplied the narrative that came to be accepted as truth regarding the New York City fiscal crisis of 1975—an uncaring, hapless, accidental President Ford abandoning America's greatest city in its hour of maximum need.

This narrative—honed in 1975 by wily politicians like House Majority Leader Tip O'Neill and New York Governor Hugh Carey, assisted by one of the craftiest spinmeisters of them all, PR master John Scanlon—is, to put it mildly, nonsense. The counternarrative—that corrupt, spendthrift liberal politicians spent the city into bankruptcy with giveaways to unions and welfare cheats—is equally misleading. Acclaimed financial historian and attorney Richard Farley makes the case that the New York City fiscal crisis was a bipartisan affair, with the establishment elites of both parties behaving badly and feathering their own nests and the nests of their insider cronies.

Other histories of the 1975 fiscal crisis have spread highly crafted, self-serving stories that include these brazen fabrications:

- **THE SPIN:** A group of wise men led by investment banker Felix Rohatyn and assembled by Governor Hugh Carey created the Municipal Assistance Corporation—the MAC—that raised the money to bail out the city.
THE TRUTH: The MAC was an abysmal failure that couldn't sell its bonds as promised.
- **THE SPIN:** In the city's darkest hour, a union leader heroically bailed the city out by loaning pension funds to save the day and avoid bankruptcy.
THE TRUTH: That union leader agreed to provide the loan weeks before, reneged to try and get a better union contract, and, when that failed, only decided to honor his commitment to avoid being exposed for his failed hardball tactics.
- **THE SPIN:** The city's real estate magnates magnanimously prepaid their taxes to save the city from bankruptcy.
THE TRUTH: They got a discount on their taxes for doing so.
- **THE SPIN:** Governor Carey's heroic efforts saved the city from bankruptcy.
THE TRUTH: Carey enlisted the services of a crafty, old Tammany Hall lawyer who drafted a law that permitted bankruptcy by another name.
- **THE SPIN:** FORD TO CITY: DROP DEAD. President Ford was willing to let New York City go bankrupt.
THE TRUTH: President Ford bailed the city out.

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