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Black Interloper

Russell Simmons's 'Racial Contract' With Andrew Cuomo

BY **PETER NOEL**

IS RUSSELL SIMMONS AN UNCLE TOM? ¶ FOR SEVERAL MONTHS, THE HIP HOP MILLIONAIRE HAS BEEN ACTING LIKE A BLACK INTERLOPER, SOMEWHAT LIKE AN INQUISITIVE MESSENGER BOY FOR SOME DESPERATE WHITE POLITICIANS TRYING TO GET ELECTED. BUT SO FAR, THE INFLUENCE THAT SIMMONS'S FRIENDS THOUGHT HE HAD AMONG AFRICAN AMERICANS HAS NOT TRANSLATED INTO A SINGLE VICTORY AT THE POLLS. ¶ ALTHOUGH

Simmons has been dismissed by some black activists as nothing more than a toothless tiger on his own Phat Farm, his bite may yet prove fatal to the black body politic. The former Mark Green supporter, who remained silent as Green exploited white hot fear of Al Sharpton during the mayoral race, is poised to play a major role in infecting next year's gubernatorial contest. He is backing Andrew Cuomo's bid to bar Carl McCall from becoming New York's first black governor.

Cuomo, secretary of Housing and Urban Development in the Clinton administration, has been quoted as saying that McCall is a signatory to a "racial contract" designed to elect minorities. *During the mayor's race, McCall*—the only black ever elected to statewide office in New York—was among the coalition of African American and Latino leaders who helped Fernando Ferrer force a runoff with Green. McCall has counted on the coalition helping him next year—and that angered Cuomo.

"Carl would be the second installment in that contract, that racial contract, and that can't happen," Cuomo, the son of former governor Mario Cuomo, told several Jewish leaders on the night of Green's loss, according to *The Jewish Week*. But some of Simmons's critics allege that he has negotiated his own "racial contract" with Cuomo to defeat McCall. (Cuomo did not return repeated *Voice* calls for comment. Pressed further, Jennifer Eason, Cuomo's PR person, promised that he would call back, but by late Monday he had not responded.)

Simmons, according to *New York* magazine writer Michael Wolff, is "a key member of Cuomo's posse." And last month, Cuomo bragged to Wolff that "Russell is more influential than Sharpton," setting the stage for an encore to the ugly racial politics that engulfed the city after the October 11 Democratic mayoral runoff. Cuomo's praise of Simmons infuriated Sharpton aide Dedrick Muhammad.

"Andrew Cuomo confuses Russell's popularity as the hip hop pioneer with Russell's desire to be popular in mainstream politics," said Muhammad. "If 'Russell is more influential than Sharpton,' how come Mark Green couldn't get out the black vote after Sharpton bolted? Mark Green's embarrassment is testimony to the fact that Russell can't deliver the black vote." Muhammad is part of a clique inside Sharpton's National Action Network that is urging the activist to cut his ties to Simmons. Sharpton acknowledged that there is friction in his civil rights group over Simmons. "I respect Russell, but I am getting a lot of questions about him," the reverend said. "I intend to have a serious discussion with him before 2002."

Sharpton, Muhammad said, should confront Simmons about not speaking out against the villification of him by racists in Green's campaign. "Either you're naive about these things or you're an Uncle Tom," Muhammad said. "He eventually told us that he told Green how despicable the cartoons of Sharpton were. But by the time he decided to reach out to Sharpton, Reverend's relationship with Green was beyond repair."

The aide speculated that Simmons's true aim is to run for political office someday, but in order to attract the white vote he must hobnob with powerful liberals like Cuomo. "He supported Mark Green because he wants to get closer to Cuomo and the Kennedys," Muhammad said. "It looks like his first goal is to be a power broker and then he'd probably leverage that into running for office. The problem is that he's gotta prove that he can shift votes, *and he has not proven that yet.*"

» The racial contract to kill Carl McCall's chances of becoming governor was awarded to Russell Simmons 10 months ago.

On February 5, during an interview on NY1, Simmons accused McCall of ignoring minority firms doing business on Wall Street, as well as not hiring enough blacks and Latinos in his own office. Dismissing the New York State Common Retirement Fund, which McCall has transformed from an almost lily-white asset to one that now places 25 percent of its brokerage business with minority firms, Simmons quibbled. "I would guess about less than 1 percent of all that money was given to *anyone black to manage*," said Simmons, sounding like he understood the complexities of such business dealings. Stunned by Simmons's comments, black business leaders, including David Ormes, president of Ormes Capital Markets, and Ronald Blaylock, president and CEO of Blaylock and Partners, denounced the remarks as "disparaging and grossly inaccurate." All the executives suspected that the script that the self-described "T-shirt salesman" read from may have been written by Cuomo operatives.

"It is obvious from those remarks that you have a limited knowledge of Comptroller Carl McCall's impact on our business in the financial community," 13 of the executives stated in a letter to Simmons three weeks after his NY1 appearance. They pointed out that prior to McCall taking over as comptroller, "minority and women-owned financial firms were essentially shut out of [doing] business with the New York State Common Retirement Fund." Minority firms suffered, they charged.

"In 1993," they added, "the Fund, which at the time had assets of $56 billion, did not actively seek or encourage minority firms to bid on retirement Fund business. In fact, only a diminutive level of transactions was performed by the Fund with minority firms." But all that, the executives explained, "changed dramatically" after McCall gained control of the Fund, which is valued at $150 billion today.

How has McCall shared this financial pie with minority firms? The executives asked Simmons to consider that:

- McCall, in partnership with Fairview Capital, created the Black Enterprise Fund.
- Hamilton Lane, a minority-owned firm, has extensive dealings with the Pension Fund, including the management of a $400 million "fund of funds."
- Brown Capital, another minority-owned firm, manages a direct-equity account valued at more than $250 million.

McCall, the executives maintained, steadfastly encouraged minority-owned firms to bid for brokerage business. "He set goals for the Fund's minority business," they insisted. "Today, fully 25 percent of the Common Retirement Fund's brokerage business is with minority firms." In addition, McCall tapped "numerous" minority firms for contracts involving asset management and private equity deals.

"As one example, the Fund has utilized minority firms to provide services for real estate owned by the Fund," the executives said. "[McCall] has contracted with minority law firms for legal work in connection with the Fund. Even when dealing with non-minority-owned firms, Carl has encouraged those firms to assign minority employees to work with the Fund. He has also made tens of millions of dollars worth of loans to minority- and women-owned businesses through the New York Business Development Corporation."

The executives portrayed Simmons as misinformed, and blasted him for claiming that "in his job as State Comptroller, [McCall] didn't change anything" when it came to integrating the mostly white staff in his office. "Carl McCall has changed the management culture of the Common Retirement Fund, not only by enabling African-American firms to do business with the Fund on a competitive basis, but also by hiring a more diverse workforce," they said.

After eight years of working closely with McCall, the black executives have seen *See* NOEL *page 22*



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