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Rudy: I'll take charge of 113M fund

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Mayor Giuliani said yesterday he owes it to donors to keep the $113 million Twin Towers Fund under his control after he leaves office Dec. 31.

"Many of the people who donated money made me promise them that I would not abandon the fund, and that I would make sure that the money got to the people for whom it was intended," he said.

The mayor launched the Twin Towers Fund shortly after the Sept. 11 terror attack leveled the World Trade Center. With the help of star-studded benefits, the fund generated an outpouring of contributions to help the families of the 406 uniformed rescue personnel, including firefighters and police officers, who died in the catastrophe.

The fund has distributed $46.7 million to 389 families and is formulating plans to distribute the remaining $66.3 million. It also expects future contributions.

Although the Twin Towers Fund often is mistaken for a city-run operation, it is a private charity that operates under Public/Private Initiatives, a nonprofit organization founded at the mayor's behest in 1994.

The organization is an unusual entity that Giuliani has used to raise private contributions for some of his pet projects, such as last year's New Year's celebrations around the city. It is headed by Tamara Lhota, a former Giuliani campaign fund-raiser who is the wife of Deputy Mayor Joseph Lhota.

Giuliani intends to form a new charity to take over the administration of the Twin Towers Fund from Public/Private Initiatives when he leaves office. Undistributed donations probably will be converted into an annuity and paid out to families of victims for their future needs, he said.

A spokesman for Giuliani, Matthew Higgins, said the fund's administrative costs will be paid for through private funds raised for that purpose. That will ensure donations to the fund go entirely to the families of fallen rescue workers, he said.

The mayor's plan would require approval of a state Supreme Court justice and state Attorney General Eliot Spitzer, who oversees charities. An aide to Spitzer said no new plan for the Twin Towers Fund has been presented.

"We're not that concerned with who's running it as much as we are with making sure the funds are distributed as intended," said the Spitzer aide, who asked not to be identified.

Asked about the mayor's plan, Gov. Pataki said, "If he has some ideas as to how the fund can best be run, in all likelihood, they're excellent ideas."

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