

Investigation into National Arts Club Nearing End, Board President Says

April 3, 2012

By Amy Zimmer, DNAinfo News Editor



The board room of the National Arts Club in 2009... (Luis Garcia)

MANHATTAN - A yearlong investigation into the inner workings of the National Arts Club under now ex-president O. Aldon James may be nearing an end.

Members were told in an email from new president Dianne Bernhard that the probe by the New York Attorney General and the Manhattan District Attorney's Office is close to being over.

"In the last several months, many of our employees, and some members, have received subpoenas from the Attorney General's Office," Bernhard wrote in the email sent last weekend.

"They have all testified under oath about what transpired at the Club under the former administration."

She continued, "The District Attorney's Office has also stepped up its requests and activity.

While responding to the Attorney General and the District Attorney is time consuming, costly and tough on the morale of the staff, we feel that this increase in activity does mean that an outcome to these investigations is not too far away, and that is a good thing.

"This has been one of the most difficult years in our Club's history, and at times very painful for me personally. But the rewards are well worth our angst and hard work."

Neither the DA's office nor the AG's office would comment on the investigation.

As first reported by DNAinfo, James, his twin brother John and their friend Steven Leitner used club apartments to hoard flea market junk and antiques - believed to have been purchased with the organization's money.

The club had tried to oust the trio from its Gramercy Park landmark building after holding a hearing in January to discuss the charges against them, but a Manhattan Supreme Court judge reversed the board's decision and called for a new hearing to be held by a neutral arbiter on April 23.

The judge claimed the board was biased in light of a countersuit it had filed against James seeking millions that it claims was lost in rent and other alleged misuse of club assets.

Since that decision, James has been at the club every day, standing in the atrium to talk to members as they entered the building and making his presence known, club insiders said.

Bernhard told members that the vote to expel James came after careful deliberation of evidence.

"The sub-committee found 'The James Group' had indeed violated Club rules," she wrote, "by misappropriating Club assets and funds, by harassing members and staff, and by acts of violence against Club members, including the mistreatment of one of the Club's elderly tenants, among other transgressions and malfeasance."

Board members and other club insiders have said the former president ruled the club with a tight fist and wielded his power to prevent people from speaking out.

James did not even attend the hearing or offer testimony on his behalf because his lawyer believed from the start that the proceedings would not be impartial.