

White House reverses halt on

Freeze lifted after two days following confusion over memo, legal challenges

The Associated Press

WASHINGTON — President Donald Trump's budget office on Wednesday rescinded a memo freezing spending on federal loans and grants, less than two days after it sparked widespread confusion and legal challenges across the country.

The memo, which was issued Monday by the Office of Management and Budget, had frightened states, schools and organizations that rely on trillions of dollars from Washington.

Administration officials said the pause was necessary to review whether spending aligned with Trump's executive orders on issues like climate change and diversity, equity and inclusion programs.

But on Wednesday, they sent out a two-sentence notice rescinding the original memo. The reversal was the latest sign that

even with unified control of Washington, Trump's plans to dramatically and rapidly reshape the government has limits.

Administration officials insisted that despite the confusion, their actions still had the intended effect by underscoring to federal agencies their obligations to abide by Trump's executive orders.

"The Executive Orders issued by the President on funding reviews remain in full force and effect and will be rigorously implemented by all agencies and departments," White House press secretary Karoline Leavitt said, blaming the confusion on the courts and news outlets, not the administration. "This action should effectively end the court case and allow the government to focus on enforcing the President's orders on controlling federal spending."



Nourishing Hope, which runs food pantries in Chicago, gets 20% of its funding from the government.

The vaguely worded order, legal pause and eventual cancellation left organizations confused and worried again about what might be next.

Nourishing Hope, which runs

foods pantries, home meal delivery and an online food market in Chicago, gets roughly 20% of its food budget comes from the federal government. CEO Kellie O'Connell said the biggest issue

when the memo surfaced was getting clear and accurate information so they could figure out how to plan for the coming months.

If their federal funds were

Chaos, confusion among LI nonprofits over

BY NICHOLAS SPANGLER

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Long Island's not-for-profit leaders — operators of food pantries and domestic violence shelters, providers of services to veterans, seniors and people with substance use disorders — were whipsawed Wednesday as the White House budget office rescinded a memo freezing some federal grants, a major source of operating funds for many charitable groups.

The retraction was a relief to many who had interpreted the initial notice as potentially impacting trillions of dollars in federal funding.

Then the White House appeared to qualify the retraction, saying, while the memo was rescinded, Trump's underlying executive orders targeting federal spending in areas like diversity, equity and inclusion and climate change remained in place.

"This is NOT a rescission of the federal funding freeze," White House press secretary Karoline Leavitt wrote in a social media post.

The freeze had been stayed

by a federal judge until at least Monday after an emergency hearing requested by nonprofit groups that receive federal grants, and an additional lawsuit by Democratic state attorneys general was pending.

It was enough to flummox Jeffrey Reynolds, president and chief executive of the Mineola-based Family & Children's Association, serving struggling families, at-risk adolescents, vulnerable seniors and adults with substance use disorders.

"It feels like we're on a roller-coaster ride," he said. "These dollars translate into services for thousands of Long Islanders and into jobs for people who are doing really important work and now feel a lot less secure about their own financial futures."

'We can't pause'

Reynolds, whose organization pays a quarter of its budget with \$6.5 million in federal grants, said he and his colleagues had spent part of the week so far "trying to figure out what, in god's name, we would do if we lost \$6.5 million



White House press secretary Karoline Leavitt said of Wednesday's memo: "This is NOT a rescission of the federal funding freeze."

in funds overnight." The money funds 70 jobs at the organization, along with services for thousands of Long Islanders, he said.

At CARECEN, an organization with offices in Brentwood and Hempstead that offers legal assistance and English classes to immigrant communities, executive director Melanie Creps said "nothing has been confirmed" but she believes groups supporting immigration might eventually be targeted for funding cuts.

"It's the most obvious assumption, which is terrifying," she said. Creps said grant funding reaching six figures could be at stake, affecting staff, clients and Long Island overall. "Communities are going to suffer," she said. "We rely on immigrants, across the board."

Cate Carbonaro, executive director of the East Hampton-based The Retreat, whose programs aid survivors of domestic violence and sexual assault and support fathers in need —

the only one of its kind on Long Island — said on Tuesday and Wednesday, her staff was unable to access a critical federal grant portal they use to fund much of their work, though it was unclear why.

"We can't pause," she said. "We can't afford to stop this work for even a day. We stay out of politics and we work for our clients. I don't want to have to rely on begging people for money, but I will."

The Monday budget office memo required federal agencies to "temporarily pause all activities related to obligation or disbursement of all Federal financial assistance, and other relevant agency activities that may be implicated by the executive orders, including, but not limited to, financial assistance for foreign aid, nongovernmental organizations, DEI, woke gender ideology, and the green new deal."

LI operations affected

A clarification issued by the White House Tuesday said programs providing "direct benefits to Americans," including So-

federal aid

frozen, O'Connell said, they could make it a few weeks. But the wider concern was the possible end of assistance, like food stamps, which would increase demand on her organization.

"If that were to significantly diminish or get eliminated, it will be nearly impossible for the charity food system to step up," she said of food stamps. "It would be potentially catastrophic for our communities."

On Tuesday, Trump administration officials said programs that provide direct assistance to Americans, including Medicare, Social Security, student loans and food stamps, would not be affected.

However, they sometimes struggled to provide a clear picture. Leavitt initially would not say whether Medicaid was exempted from the freeze, but the administration later clarified that it was.

The White House's change in direction caught Congress off guard, particularly Trump's Republicans allies who had de-

fended him throughout the brief saga.

"This is Donald Trump. He throws hand grenades in the middle of the room, and then cleans it up afterwards," said Sen. Kevin Cramer of North Dakota. "I just think the guy's a genius."

Cramer acknowledged the initial memo may have generated too much political heat, with red and blue states raising alarms over the funding freeze. But the senator suggested Trump "maybe didn't understand the breadth" of what had been proposed.

But Democrats said the White House had overreached beyond what Americans want.

"Most people voted for cheaper eggs," said Sen. Martin Heinrich of New Mexico. "They did not vote for this chaos."

GUANTÁNAMO SITE ORDERED FOR DEPORTEES A19

funding freeze

cial Security, Medicare, Medicaid and food stamps, were exempted from the review.

Some Island leaders said their operations had already been affected.

"There is so much fear and anxiety within the Hispanic community on Long Island, that individuals and families are literally fearful to go to the food pantry," Paule Pachter, CEO of Hauppauge-based Long Island Cares-The Harry Chapin Regional Food Bank, said. "They're not sure if they're being followed by ICE (U.S. Immigration and Customs Enforcement), or Homeland Security or local law enforcement. [The prospect of] mass deportation sends a lot of people underground."

Randi Shubin Dresner, president and chief executive of Island Harvest Food Bank in Melville, which provides food, SNAP enrollment, workforce development and other services, said she and her colleagues were working to "keep on top of it, but some of the messages are changing quickly . . . We

need to be nimble."

Some major nonprofits, like Catholic Charities of Long Island and Northwell Health, declined to comment or said only that they were monitoring for potential impact.

Theresa Regnante, president and CEO of the United Way of Long Island, which receives about \$9 million in federal funding annually, said the week's events had created "a lot of fear, a lot of unnecessary escalating of peoples' anxiety in a time when anxiety is already high."

Her organization's initiatives are as varied as supportive housing for veterans, emergency food for the hungry and financial aid for Long Islanders paying security deposits to move into their first apartments.

"This isn't checkers — this is people's lives," she said.

With AP and Robert Brodsky

LI COLLEGES UNSURE AFTER FREEZE ORDER A12

TRUMP'S LI LAWYER LEADS HIS APPEAL

Latest bid to void NY hush money jury conviction

BY JANON FISHER
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President Donald Trump has selected a high-profile lawyer with a Southampton home to help lead the appeal of his conviction on 34 counts of falsifying business records to cover up an alleged affair with an adult film star.

Robert Giuffra Jr., 64, co-chair of the law firm Sullivan & Cromwell in Manhattan, filed a single-page notification of appeal on Wednesday morning with the state Supreme Court in Manhattan.

"President Donald J. Trump's appeal is important for the rule of law, New York's reputation as a global business, financial and legal center, as well as for the presidency and all public officials," Giuffra said in a statement to The Associated Press. "The misuse of the criminal law by the Manhattan DA to target President Trump sets a dangerous precedent, and we look forward to the case being dismissed on appeal."

Giuffra will take over the case after Trump named two of his criminal defense lawyers, Todd Blanche and Emil Bove, to deputy attorney general positions in the Department of Justice.

Giuffra, who splits his time between Manhattan and Southampton, represents Nassau County in its legal battle against Hofstra University over the Las Vegas Sands casino lease of the Nassau Coliseum.

The Yale University graduate is also the president of the Lake Agawam Conservancy, a Southampton organization geared toward preserving and protecting the body of water.

He represented former Sen. Alfonse D'Amato's brother Ar-



President Donald Trump

POOL / AFP VIA GETTY IMAGES / TNS / JABIN BOTSCH

for the Southern District of New York, also works at Sullivan & Cromwell.

A notice of Giuffra's appointment as co-counsel and a transcript of the sentencing hearing were included in the notice of appeal submission.

Requests for comment from Newsday to Giuffra, the White House and Sullivan & Cromwell were not immediately returned.

Manhattan District Attorney Alvin Bragg charged Trump with conspiring with David Pecker, the publisher of supermarket tabloid The National Enquirer, and former fixer Michael Cohen to cover up the president's extramarital affairs from voters ahead of the 2016 presidential election.

A Manhattan jury in May convicted the president in less than two days after a six-week trial.

Trump was sentenced Jan. 10, just over a week before his inauguration, to an unconditional discharge, meaning he served no prison time, but remains a convicted felon, the first president to hold office with a criminal record.

"It's been a political witch hunt," Trump said at the sentencing hearing. "It was done to damage my reputation so that I would lose the election, and obviously, that didn't work."

Giuffra's filing gave no indication of his legal strategy for the appeal, but at the recent hearing, Trump said it was his accountant, not he, who had labeled the payments in his ledger.

The hush money payments to reimburse Cohen for paying off adult film star Stormy Daniels regarding the alleged affair she had with Trump were marked as "legal fees."

"I didn't call them construction, concrete work," Trump said at the hearing. "I didn't call them electrical work. I didn't call them anything. They called them legal fees or legal expenses and for this I got indicted."

WHAT NEWDAY FOUND

- **President Donald Trump's attorney** filed a notice with the state Supreme Court that he would appeal Trump's conviction for falsifying business records.
- **Trump replaced** his criminal trial lawyers with high-profile lawyer Robert Giuffra Jr.
- **Giuffra, who lives in Manhattan and Southampton,** is co-chair of the New York City law firm Sullivan & Cromwell.

mand D'Amato and successfully persuaded a federal appeals court to overturn Armand D'Amato's 1993 conviction on mail fraud charges.

Among Giuffra's other high-profile cases was a \$1.2 billion Volkswagen settlement in 2017 over allegations that it had rigged its cars to cheat on emission tests.

Giuffra served on the New York State Ethics Commission from 1998 to 2007 and then the New York State Commission on Public Integrity from 2007 to 2009.

Jay Clayton, who Trump nominated to be the U.S. attorney