

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON GOVERNMENTAL OPERATIONS

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May 2, 2016

Start: 2:14 p.m.

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HELD AT: Committee Room - City Hall

B E F O R E: BEN KALLOS  
Chairperson

COUNCIL MEMBERS: David G. Greenfield  
Mark Levine  
Carlos Menchaca  
Antonio Reynoso  
Ritchie J. Torres  
Joseph C. Borelli

## A P P E A R A N C E S (CONTINUED)

Henry Berger

Special Counsel to Mayor Bill de Blasio

Amy Loprest, Executive Director

NYC Campaign Finance Board

Brian Kavanagh

New York State Assembly Member

Julia Davis, Director

Annual Disclosure and Special Counsel

NYC Conflicts of Interest Board

Carolyn Lisa Miller, Executive Director

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Sue Ellen Dodell

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Gene Russianoff, Staff Attorney

New York Public Interest Research Group, NYPIRG

Prudence Katz, Research and Policy Manager

Common Cause New York

Dominic Mauro, Staff Attorney

Reinvent Albany

Rosemary Shields

League of Women Voters of the City of New York

Dick Dadey, Executive Director

Citizens Union



2 [sound check, pause]

3 SERGEANT-AT-ARMS: (sic) For those who  
4 are staying, (sic) please find a seat. Now, please  
5 find a seat. [background comments]

6 [gavel]

7 CHAIRPERSON KALLOS: Good afternoon.  
8 Thank you for joining us at this hearing of the  
9 Committee on Governmental Operations. I am Ben  
10 Kallos, Chair of the committee. You can Tweet me at  
11 Ben Kallos. We're joined today by committee members  
12 Antonio Reynoso and Carlos Menchaca. We're also  
13 joined by Fernando Cabrera who is one of the sponsors  
14 of one of the bills. Today, we're hearing eight  
15 bills related to the Campaign Finance Board. We're  
16 also hearing two resolutions related to voting  
17 reforms that are carried in the Assembly by Assembly  
18 Member Brian Kavanagh who joins us today. Since  
19 CFB's Matching Funds program was created in 1988, the  
20 Council has made a continued improvements to  
21 strengthen it from increasing the matching rate to  
22 sharply limiting donations by lobbyists. The Council  
23 has worked hard to account for new information and  
24 regulatory changes. The purpose of the public  
25 matching program is to incentivize positive behaviors

2 like seeking out small dollar contributions over  
3 large contributions from special interests. In 2014,  
4 the Council passed two bills originating in this  
5 committee sponsored by Council Members Lander and  
6 Garodnick, which improved disclosure of political  
7 spending by outside groups, and improved transparency  
8 in our elections. Our system of providing public  
9 matching funds for small dollar donations is a  
10 national model that we can all be proud of. The  
11 Campaign Finance Board Post-Election Report, which  
12 comes out after each local election is a key part of  
13 our efforts to keep the system strong. To see if  
14 these more recent post-election report laid out a  
15 series of recommendations for legislation and the  
16 eight introductions we are hearing today stem from  
17 those recommendations. The first four of these bills  
18 I am proud to sponsor.

19 Introduction 985-A strengthens the city's  
20 pay to pay law and prevents distribution of any  
21 public matching funds for money bundled by a lobbyist  
22 or a person who has or may have the business dealings  
23 with the city. Those currently in the Doing Business  
24 database are also subject to stricter contribution  
25 limits of \$400 for citywide officers, \$320 for a

2 borough president and \$250 per City Council. In  
3 2013, 19% of all bundlers were doing business with  
4 the city and raise 24% of all bundled funds. The  
5 City should not be providing public dollars to  
6 amplify the already strong voices of special  
7 interests.

8 Introduction 986 allows an earlier  
9 disbursement of limited amounts of public money to  
10 qualified candidates shifting up the first possible  
11 disbursement by six weeks. Doing so allows a  
12 campaign to plan more effectively and gives a  
13 candidate who runs into difficulty receiving funds  
14 enough time to resolve those issues.

15 Introduction 987 creates a new formula to  
16 determine who can participate in the first mandatory  
17 CFB sponsored debate for citywide officers. The  
18 bureau's formula is a better measure of a candidate's  
19 viability, and requires that candidates have raised  
20 and spent 2.5% of the expenditure limit rather than  
21 just raising 20% of the spending limit.

22 Introduction 988 allows voters to opt out  
23 of receiving a hard copy of the voter guide,  
24 meaningfully decreasing the significant cost  
25 associated with the printing and mailing of the

2 packet. It would also help save the environment as  
3 we round up after Earth Day. The bill also requires  
4 the CFB to make measures--to take measures to improve  
5 public awareness of the candidates in contested  
6 elections for not just city office, but also for  
7 county, state and federal offices.

8 Introduction 980 sponsored by Council  
9 Cabrera equalizes contribution limits for transition  
10 inauguration entities with campaign contribution  
11 limits for that office, which he will speak to  
12 shortly.

13 Introduction 990 sponsored by Council  
14 Member King extends the prohibition and contributions  
15 from non-registered political committees to cover  
16 candidates who are not participating in the public  
17 matching program. This brings the standards for  
18 participating and not participation candidates more  
19 in line.

20 Introduction 1001 sponsored by Council  
21 Member Williams increases transparency by requiring  
22 that any organization with greater than ten percent  
23 ownership interest in entities doing business with  
24 the city including--be included in the doing business  
25 database.

2 Introduction 1002 also sponsored by  
3 Council Member Williams streamlines the process by  
4 requiring the Conflicts of Interest Board to maintain  
5 records of compliance with the annual disclosure  
6 requirements of Conflicts of Interest Law eliminating  
7 the requirement for candidates to submit a receipt to  
8 the CFB.

9 Finally, we are hearing two pre-  
10 considered resolutions I am sponsoring relating to  
11 elections and voting both with--which Speaker Melissa  
12 Mark-Viverito discussed in her State of the City  
13 speech in February. The first calls on State to pass  
14 the Voter Empowerment Act, which would streamline  
15 voter registration. The second resolution calls for  
16 a Constitutional Amendment to establish no excuse  
17 absentee voting New York State. These resolutions  
18 are in support of tireless advocacy by Assembly  
19 Member Brian Kavanagh and Senator Gianaris at state  
20 level.

21 At this time, I'd like to invite other  
22 bill sponsors to say a few words beginning with  
23 Council Member Cabrera.

24 COUNCIL MEMBER CABRERA: Thank you so  
25 much, Char Kallos, and since I've known you, you have



2 been truly a leader and a champion related to issues  
3 related to the Campaign Finance Board or anything  
4 related to campaigns. So good afternoon and thank  
5 you again to Chair Kallos and to my colleagues in the  
6 committee for the opportunity to have my bill Intro  
7 980 heard today. I believe this bill will provide  
8 strongly legal protection against corruption and  
9 excess spending. Currently, candidates elected to  
10 the office of Mayor, Public Advocate, Comptroller,  
11 Borough President or member of the City Council are  
12 allowed to designate one or more entities other than  
13 political committees to accept donations and loans  
14 and to make expenditures for transition or inaugural  
15 into office. Candidates are not allowed to use their  
16 existing candidate committee or any other political  
17 committee or entity to raise money for transition or  
18 inaugural--inauguration purposes. We are all  
19 familiar with the requirement that newly elected  
20 candidates who want to raise or spend funds for their  
21 transition or--and/or inauguration into office must  
22 create register a transition and inauguration entity  
23 with the Campaign Finance--Finance Board. This  
24 requirement applies to all the candidates elected  
25 into city office regardless of participation into a

2 campaign finance program. Intro 980, if enacted,  
3 will limit contributions for ties of TIEs of winning  
4 campaigns for local office at the same level as the  
5 campaign contribution limits for that office. It  
6 will also clarify that candidates do not need to set  
7 up separate entities if they wish to self-fund their  
8 transition and an inauguration entity in part. The  
9 goal of this bill is to improve transparency and  
10 fairness by restricting the ability of candidates for  
11 public office from spending an exorbitant amount of  
12 money. As we all know, money has immense power over  
13 the gov--over our government and men of respect. The  
14 big money should not primarily dictate public policy.  
15 The use (sic) of New Yorkers should. A responsive  
16 democracy is one in which the elite donor class that  
17 funds campaigns does not exercise more than its fair  
18 share of power. Introducing contribution limits at  
19 all levels of the politic process will go a long way  
20 to creating a political system that is more  
21 accurately re--reflect the priorities of all the  
22 people and not just a small class of powerful wealthy  
23 people. Thank you so much, Chair.

24 CHAIRPERSON KALLOS: Thank you for being  
25 here, and for advocating for your legislation.

2 Council Cabrera cares deeply for democracy and  
3 modernizing democracy, and has a number of bills in  
4 this committee, and we're just thankful for his  
5 interest and his advocacy. Council Member Williams  
6 is unable to be here, but ask that I read the  
7 following on his behalf:

8           Chair Kallos, colleagues, committee  
9 staff, thank you for the opportunity to submit a  
10 brief statement in support of my bills. As you may  
11 know, I am home recovering from hernia surgery, but I  
12 wanted to have this statement of support read into  
13 the record. I am pleased to be the prime sponsor of  
14 Introduction 1001 of 2015, which requires entities  
15 that have ten percent or greater ownership stake in  
16 entities that conduct business with the city to be  
17 added to the Doing Business database maintained by  
18 the City. Individuals already included, the people  
19 of New York City, have a right to know what private  
20 entities are doing business with the city, and  
21 operate a third-party organization should not except-  
22 -exempt them from disclosure. I'm also please to  
23 sponsor Introduction 1002 of 2015, which would  
24 require the Conflicts of Interest Board to maintain  
25 records of compliance with the Annual Conflicts of

2 Interest Law for candidates who participate in the  
3 City's Public Matching Campaign Finance Program.  
4 These records are provided the Campaign Finance Board  
5 upon request. This system improves upon current  
6 conflicts of interest process as currently candidates  
7 themselves are required to obtain a receipt of  
8 compliance from the Conflicts of Interest Board and  
9 to provide such receipt to the Campaign Finance  
10 Board. All tolled, these two bills and a larger  
11 package that are being heard today will increase  
12 transparency and good government, a hallmark of our  
13 democratic process. Than you again, Chair Karl--  
14 Kallos and my colleagues, and I'm hoping that Council  
15 Member Williams is watching the live stream from  
16 home, and if everyone can just join me in wishing him  
17 well. We wish you well, Council Member Williams.

18 Before we begin, I'd like to thank our  
19 committee counsel Smita Deshmuckh; Policy Analyst  
20 Laurie Wenn; Finance Analyst James Subudhi; and my  
21 Legislative Director Paul Westrick for their work on  
22 today's hearing. With that said, I'm going to call  
23 representatives from the Administration as our first  
24 panel. Our second panel will be Assembly Member  
25 Brian Kavanagh followed by the Conflicts of Interest

2 Board followed by the Campaign Finance Board. I'd  
3 like to remind everyone who would like to testify  
4 today to please fill out a card with the sergeant.  
5 I'll those on the panel providing testimony or  
6 answering questions to please raise their right hand,  
7 Mr. Henry Berger. Do you affirm to tell the truth,  
8 the whole truth and nothing but the truth in your  
9 testimony before this committee today, and to respond  
10 honestly to council member questions?

11 [off mic] Yes.

12 CHAIRPERSON KALLOS: You may begin.

13 [pause]

14 HENRY BERGER: Good afternoon, Chair  
15 Kallos and council members. My name is Henry Berger.  
16 I'm Special Counsel for the Mayor. Thank you for  
17 having me here today and for holding a hearing on  
18 these important issues. You have my written  
19 statement before. I'm not going to read the whole  
20 thing. There are some points I would like to  
21 emphasize to save some time. The highly successful  
22 Campaign Finance Program provides candidates with a  
23 strong incentive to finance their campaigns by  
24 engaging with av--average New Yorkers instead of  
25 seeking large contributions from special interest

1 groups. In the 2013 election more than 44,500 New  
2 Yorkers, half of all New York City contributors to  
3 participating candidates made a contribution to a  
4 city candidate for the first time. Three-quarters--  
5 three-quarters of them made small contributions of  
6 \$175 or less. In the aftermath of Citizens United  
7 and other campaign finance decisions that have made  
8 it more difficult to regulate money in politics,  
9 advocates of campaign finance reform had turned to  
10 New York City as a model worth emulating in other  
11 cities and states. Before I discuss this specific  
12 legislation, I want to note again that CFB is  
13 nonpartisan, independent and thus for many of these  
14 proposals and is in a--in a better position to  
15 discuss the feasibility and practical im--  
16 implications. I'm glad that Amy Loprest has joined us  
17 today to outline--outline CFB positions.  
18 Nonetheless, I'm happy to share with you the  
19 Administration's thoughts on some of these bills. In  
20 general, I note that the stated effective dates may  
21 have to be changed as some of those dates have  
22 already passed. I'm sure that staff is well ahead of  
23 us on that.  
24

2 Intro 980, and I'll just go through the  
3 bills one at a time very quickly. Intro 980 would  
4 set contribution limits for Transition and  
5 Inauguration Entities of winning campaigns for local  
6 offices at the same level as the campaign  
7 contribution limit for that office. It would also  
8 clarify the candidate need not set up separate  
9 entities if they partially self-fund their TIEs. The  
10 Administration is supportive of this amendment, which  
11 will help candidates streamline and simplify the  
12 transition process from candidate to elected  
13 officials. This amendment will ensure that no  
14 confusion regarding what a candidate can raise and  
15 spend during the transition period. [background  
16 noise]

17 Intro 985. Currently those doing  
18 business with the city can only contribute up to \$400  
19 to a citywide candidate, and can--cannot have their  
20 contributions matched. This intro would prevent  
21 lobbyists and those doing business with the City from  
22 matching with public funds any contribution to a  
23 candidate for local office that they have bundled  
24 from other candidates. This is an extra step to  
25 ensure that well hailed lobbyists cannot indirectly

2 bypass the intent of our regulations. The  
3 legislation will ensure that our fundraising process  
4 is fair, free from undue influence. The--the  
5 Administration is supportive of this legislation.

6 Intro 986 would allow for disbursement of  
7 limited amounts of public funds to qualifying  
8 candidates at an earlier stage in the election. It  
9 would change the earliest date for disbursement from  
10 following the finalization of candidates who qualify  
11 for ballots to shortly after the deadline for  
12 certification in the public matching program. This  
13 is a great proposal as it would help insurgent  
14 candidates secure resources needed to compete at an  
15 earlier stage and thus create a more fair and just  
16 system. The Administration supports this proposal  
17 and concept. We note that the bill as drafted,  
18 particularly the section that removes language  
19 relating to the general election in Section 4 may  
20 obscure the distinction between primary and general  
21 elections and my need to be clarified.

22 Intro 987 would modify the standards for  
23 contributions raised and spent by candidates who  
24 participate in the city's public funding matching  
25 program in order to be eligible to participate in the



2 first official debate for the office they seek. It  
3 would change the formula for eligibility from having  
4 to raise 20% of the threshold for public funding to--  
5 to 2.5% of the expenditure limit for such office.  
6 This will make the initial debates more inclusive and  
7 fair and we support this proposal.

8 Intro 988. CFB will comment as to the  
9 feasibility of this proposal. Clarification that to  
10 the text of the bill may be appropriate partip--  
11 particularly with respect to the proposal's intended  
12 relationship between the Voter Guide and other  
13 formats.

14 Intro 980. Under this proposal,  
15 candidates for local office who choose to participate  
16 in the city's public matching pro--program may  
17 receive contributions from a political committee only  
18 if such committee has registered with the Campaign  
19 Finance Board. However, candidates who choose not to  
20 participate in the matching program may accept  
21 contributions from political committees regardless of  
22 whether they are registered or not. This bill would  
23 extend the prohibition on the acceptance of  
24 contributions from non-registered political

2 committees to non-participating candidates. The  
3 supports the change.

4 Intro 1001 relates to requiring  
5 disclosure of entities that own entities that do  
6 business with the city. The Administration supports  
7 this bill. There may be some technical corrections  
8 on the current draft we not in this regard, and this  
9 is being loyally that the person--that the term  
10 person is already in the provision purported to be  
11 amended and is generally construed to include  
12 organization under the Administrative Code. So you  
13 may be able to simplify that and under Intro 1002,  
14 Julia Davis from the Conflicts of Interest Board is  
15 here, and she will comment on this bill.

16 I would also like to take the opportunity  
17 to note that the currency of the proposals do not  
18 address CFB's longstanding reliance on post-election  
19 auditing and post-election enforcement procedures,  
20 which threaten the proper administration of public  
21 matching fund payments. We would like to discuss  
22 with the Council legislation that would enable  
23 completion of CFB enforcement and payment  
24 determinations earlier in the election cycle. CFB's  
25 current deferral of all final enforcement actions

2 creates an unduly burdensome and lengthy CFB post-  
3 audit election process. Indeed, the CFB did not even  
4 begin to issue final audit reports for the public  
5 fund recipient in the 2013 election until May 2015.  
6 Rather than piecemeal adjustment, we need a  
7 comprehensive overhaul to give every candidate a full  
8 and fair opportunity to respond to and timely resolve  
9 specific allegations before the election. No  
10 candidate should be deprived of any public matching  
11 funds he or she has earned on the basis of unresolved  
12 allegations. We look forward to working with the  
13 Council on all of these proposals, and I welcome any  
14 of your questions.

15 CHAIRPERSON KALLOS: Thank you. We've  
16 been joined by Council Member Levine, and to be  
17 clear, the Administration supports all eight of the  
18 bills?

19 HENRY BERGER: We do with a few technical  
20 corrections suggested.

21 CHAIRPERSON KALLOS: Thank you. With  
22 regard to the legislation for limiting the bundling  
23 by lobbyists and people doing business with the City  
24 in terms of that legislation, do you believe that  
25 that will further limit the influence of special

2 interests in the city of New York or what impact do  
3 you expect it to have?

4 HENRY BERGER: We think it will have a  
5 significant impact. We've tried very hard. The  
6 Council has gone back I think to the very beginning,  
7 has gone back tot he amendments when they limited  
8 those who were doing business and lobbying to smaller  
9 contribution limits. We think that made an impact,  
10 and this is the logical next step. You know,  
11 lobbyists play a number of roles in city government  
12 some of which are very, very important. Their--their  
13 influence on the electoral process as demonstrated in  
14 the 2013--2013 campaign is significant, and can be  
15 reduced by this, and we think it is appropriate to do  
16 so.

17 CHAIRPERSON KALLOS: With regard to the  
18 early funds payment, obviously there was a situation  
19 in the previous election cycle where a candidate made  
20 it pretty far into the process only to find out that  
21 they were funding. Do you think that would have an  
22 impact on similar situations? Do you think it would  
23 have an impact on the number of people who have  
24 access to the ballot?

2 HENRY BERGER: No. I think there are two  
3 different issues here. As to the first issue, I  
4 think the piece I discussed at the end of my  
5 testimony where there's a rolling ongoing resolution  
6 of outstanding issues. Since candidates are now  
7 funding starting at the very beginning of a four-year  
8 cycle, having an opportunity to resolve those issues  
9 will make sure that candidates who are entitled to  
10 funding get the funding. For the situation where a  
11 candidate is running and trying to plan a campaign  
12 under the current procedures, funding isn't made  
13 available until the beginning of August, and in  
14 planning a campaign, it's nice to know that the money  
15 is going to be there and where it's there, and there  
16 are expenses. The--the campaign doesn't start at the  
17 beginning of August. The campaign starts earlier,  
18 and to give candidates the opportunity to have the  
19 funds to actually start their campaign in a timely  
20 fashion we think will make the system more  
21 competitive. I know incumbents don't always like  
22 that but, you know, having competitive elections  
23 throughout the process we think is important, and  
24 that's why we think this is such an important  
25 proposal.

2 CHAIRPERSON KALLOS: With regards to  
3 Introduction 1001, I'll ask on behalf of Council  
4 Member Williams, do you have any examples or do you  
5 think at least that the Administration might support  
6 an expansion of 1001 to not only require the  
7 disclosure of the companies that own companies that  
8 own companies that do business with the City and the  
9 humans behind, but to also put restrictions as those  
10 people having a doing business contribution limit?

11 HENRY BERGER: I don't think we've  
12 actually reached that issue. So we don't have a  
13 position on. I do know we had a lot of discussions  
14 about this issue when the last set of amendments came  
15 through on the disclosures of--of--of entities doing  
16 business, and we think it's a step in the right  
17 direction. But we would like to sit down and discuss  
18 with you what the next steps are on this.

19 CHAIRPERSON KALLOS: Thank you. Council  
20 Member Cabrera, do you have any questions? Perfect.  
21 On to Council Member Reynoso.

22 [background noise]

23 COUNCIL MEMBER REYNOSO: Good afternoon I  
24 guess and thank you for being here. Just wanted to  
25 ask a question regarding Intro No. 987. We're going

2 from--just I want to make sure that we're all clear--  
3 from 20%--I got the right document out.

4 HENRY BERGER: It's 20% of the threshold  
5 for public funding going down to 2-1/2% of the  
6 spending--the spending limit for that office.

7 COUNCIL MEMBER REYNOSO: Yeah, so the 20%  
8 to 2-1/2, it--it's--it can be deceiving. So I just  
9 want to get clarity here. Which of the two is  
10 greater, the 20% of the 2-1/2%?

11 HENRY BERGER: I believe the 2-1/2%, but  
12 CFB is here, and they get into those weeds much  
13 deeper than I do--

14 COUNCIL MEMBER REYNOSO: [interposing]  
15 All right.

16 HENRY BERGER: --and they can--they can  
17 comment on that better than I can.

18 COUNCIL MEMBER REYNOSO: Okay. So I'm  
19 excited. I'll--I'll wait to see when they get here.  
20 My--my concern, of course, is folks that are--have  
21 opinions or want to participate in this process that  
22 have a hard time raising money or don't have strong  
23 networks get excluded from the system altogether.  
24 And, you know, I know we've seen the right--It's Too  
25 Damn High is a perfect example of someone that might

2 get excluded from the debate and how--how much we  
3 enjoyed the entertaining moments of having him on  
4 board. But outside of that one, I have one more  
5 question, and that's in concern to--[pause]. I'm  
6 sorry. He called me very early. So I wasn't  
7 prepared. [laughter]

8 CHAIRPERSON KALLOS: We can come back to  
9 you.

10 COUNCIL MEMBER REYNOSO: Thank you. I  
11 appreciate that.

12 CHAIRPERSON KALLOS: Council Member  
13 Levine followed by Council Member Reynoso.

14 [pause]

15 COUNCIL MEMBER LEVINE: Mr. Berger, great  
16 to see you.

17 HENRY BERGER: Good to see you, too.

18 COUNCIL MEMBER LEVINE: And you've  
19 expressed support for Intro 986, which would allow  
20 for prepayment of earlier payment of some of the  
21 matching funds. I should know this, but does the  
22 legislation specify what portion of the matching  
23 funds will be paid out early is that left to be  
24 decided by CFB?



2 HENRY BERGER: I'm not sure. I--I would  
3 ask Amy to--

4 AMY LOPREST: [off mic] It's a pre-set  
5 amount.

6 SERGEANT-AT-ARMS: At the mic. You go  
7 over to the mic, or where is it? (sic)

8 HENRY BERGER: Amy, why don't you join me  
9 up here? [[background comments, laughter]

10 AMY LOPREST: It's a--it's set amount per  
11 office--

12 CHAIRPERSON KALLOS: [interposing] If I  
13 can just--

14 AMY LOPREST: --so it's not just--

15 CHAIRPERSON KALLOS: --swear you in very  
16 briefly and then we will--if you have specific  
17 questions on legislation we will wait for CFB. Do you  
18 affirm to tell the truth, the whole truth and nothing  
19 but the truth in your testimony before this committee  
20 today, and to respond honestly to council member  
21 questions?

22 AMY LOPREST: I do. For the record, I'm  
23 Amy--I'm Amy Loprest. For the record, I'm Amy--I'm  
24 Amy Loprest, Executive Director of the Campaign  
25 Finance Board. In answer to Council Member Levine's

2 question regarding the early payment of public funds,  
3 it's going to be a specific amount by office. So it  
4 would not be--it's in the--it's written into the law.  
5 If I'm--if I can turn to my page I will tell you the  
6 exact numbers.

7 CHAIRPERSON KALLOS: 10,000, 50,000?

8 AMY LOPREST: [interposing] No, it's--  
9 it's---

10 CHAIRPERSON KALLOS: What?

11 AMY LOPREST: --it's \$250,000 for mayoral  
12 candidates, \$125,000 for public advocate and  
13 controller candidates; \$50,000 for borough president  
14 candidates and \$10,000 for City Council candidates.

15 COUNCIL MEMBER LEVINE: That's very  
16 helpful. We are three years into this election  
17 cycle. I'm presuming that then this--your--your  
18 expertise is always welcome, Amy. I'm presuming that  
19 this would not apply to this current election cycle.  
20 The proposal would be for the 2021 cycle and/or  
21 special elections after 2017? Is that right?

22 AMY LOPREST: Our--our recommendation is  
23 that they would be effective after the 2017 election.

24 COUNCIL MEMBER LEVINE: And I--  
25

2 CHAIRPERSON KALLOS: [interposing] Can  
3 you hold questions for CFB and just--

4 AMY LOPREST: [interposing] Yes.  
5 [laughs]

6 CHAIRPERSON KALLOS: --let them come up  
7 later, and any questions specifically for the

8 COUNCIL MEMBER LEVINE: Ah, yes. Okay,  
9 I'm--wasn't adequately drawing the distinction there

10 HENRY BERGER: Yes.

11 COUNCIL MEMBER LEVINE: I think I'll wrap  
12 it up with just thank your, Henry. I'm for speaking  
13 on behalf of the Administration and you're--I think  
14 universal support for this package. It's wonderful  
15 to have your partnership and making the nation's best  
16 public financing system even better.

17 HENRY BERGER: It's a good partnership.

18 AMY LOPREST: Yes.

19 COUNCIL MEMBER LEVINE: Thank you.

20 CHAIRPERSON KALLOS: Anyone else on first  
21 round before going back to Reynoso? Council Member  
22 Reynoso.

23 COUNCIL MEMBER REYNOSO: Yeah, I--I had a  
24 hard time distinguishing whether or not my questions  
25 should go the city--the--the Administration, but I

2 think they're--they're going to the CFB. So I'll  
3 hold for those, and also want to--do want to  
4 acknowledge the fact that New York City has one of  
5 the--the best CFB systems in--I want to say the  
6 entire country, but definitely in the state. And  
7 that we're always trying to take a step to do more.  
8 We're already doing the best, and we're still doing  
9 more. It's unfortunate that maybe other--other  
10 locations are not necessarily looking to--to take  
11 any--take an example of the work that we're doing  
12 here here.

13 HENRY BERGER: We--we should continue to  
14 aspire to perfection, and we'll work--we'll get  
15 there.

16 COUNCIL MEMBER REYNOSO: Thank you.

17 CHAIRPERSON KALLOS: Mr. Berger, you're  
18 excused.

19 HENRY BERGER: Thank you.

20 CHAIRPERSON KALLOS: Thank you for your  
21 testimony. Next up is Assembly Member Brian Kavanagh  
22 followed by the Conflicts of Interest Board followed  
23 by the Campaign Finance Board followed by--I see  
24 we're joined by NYPIRG and Common Cause. For what it  
25 is worth, a lot of people have started to notice that

2 our State Election Laws are--are broken, and a lot of  
3 people were purged or set inactive in Brooklyn. And  
4 in New York State if you miss two federal elections  
5 and do not response to one piece of mail forget  
6 committing a crime, you lose your right to vote.  
7 That's that. People believe we should have absentee-  
8 -sorry--permanent registration. I'm one of those  
9 people. There shouldn't be a way for you to really  
10 lose your right to vote and, in fact, committing a  
11 crime in many states isn't even a bar to voting.  
12 That is not necessarily required, and so as we are  
13 trying to make many of these changes for the city of  
14 New York, those changes need to happen in Albany.  
15 And the good news is we have a champion in Albany who  
16 has been fighting for this for as long as I've known  
17 him, and so Assembly Member Brian Kavanagh would you  
18 mind being sworn in? Do you affirm to tell the  
19 truth, the whole truth and nothing but the truth in  
20 your testimony before this committee, and to respond  
21 honestly to council member questions?

22 ASSEMBLY MEMBER KAVANAGH: [off mic] I  
23 do.

24 CHAIRPERSON KALLOS: Perfect and we would  
25 like you to speak on two resolutions we're passing.

2 One on your Voter Empowerment Act of New York, A5972,  
3 as well as a resolution in support of A2644, which  
4 apparently doesn't have a Senate sponsor. We will  
5 get--you will get us a Senate sponsor. Do you--

6 ASSEMBLY MEMBER KAVANAGH: [off mic]

7 CHAIRPERSON KALLOS: Perfect. Thank you.

8 ASSEMBLY MEMBER KAVANAGH: [off mic]

9 Thank you [pause]--forgive me. We have--we have  
10 different equipment in the State Capitol. Yeah, I'd  
11 like to begin just by, you know, thanking all of you  
12 for being here and holding this very important  
13 hearing and particularly--and to return the praise of  
14 the chair of this committee Ben Kallos has, as all of  
15 you know I'm sure, been very thoughtfully and very  
16 consistently and very aggressively working to ensure  
17 that we focus on the need for changing the Campaign  
18 Finance Laws like the ones you're talking about  
19 today, and also the laws around and procedures and  
20 policies and practices around administering our  
21 elections. I know you have--I think you're having  
22 some subsequent hearings on some of the nuts and  
23 bolts of what has happened in recent weeks in the  
24 Administration elections. That--that's brought a lot  
25 of these issues to light, but I--I know that your

2 committee has been working on it for a long time. I  
3 am a last minute addition to your lineup here today.  
4 I apologize that I don't have formal testimony for  
5 you. Under--under normal--on a normal schedule we  
6 would be in Albany and not in New York City today,  
7 but since we are this week beginning tomorrow I  
8 wanted to come and speak with you briefly because I'm  
9 very pleased that you are joining in pushing the  
10 legislation that we're speaking about today. Just  
11 generally speaking, we have an election system in New  
12 York that makes it difficult for voters and for  
13 people who administer the elections to participate in  
14 the system at every turn. We have been--not been the  
15 subject of some of the rather aggressive and  
16 intentional efforts to make it more difficult to vote  
17 in some other states. We have not instituted new  
18 Draconian voter ID law. We have not had active  
19 efforts at least on the part of the government to  
20 suppress registration in my--from my perspective at  
21 least. But we have a system that is so antiquated  
22 and so difficult for people to get through that it  
23 has more or less the same effect. So while we might  
24 share the outrage of those who look at government  
25 officials trying to prevent people from voting, we

2 also need to look at our own system and improve it so  
3 that we are doing everything we can to ensure that  
4 every person who wants to participate--participate in  
5 our political process can do so. So we make it  
6 difficult initially for people to get on the list of  
7 people who are eligible to vote in the first place.  
8 We make it difficult to take that act initially. We  
9 also set very artificial deadlines on how and when  
10 you can take that step and get on the rolls. We  
11 schedule too many elections. We've added a couple in  
12 recent years, and we also make the administration of  
13 poll sites at the--on--on election day far too  
14 difficult for both register--for both voters and for  
15 the workers. And finally, this whole system is--it  
16 makes--makes it too difficult for us to adapt to  
17 problems as they occur. It's--it is very difficult  
18 in our system to correct mistakes. It is very  
19 difficult for the system to adapt. Again, because it  
20 is antiquated, and because it is unduly rigid. So I--  
21 --we're talking--the two bills on your agenda that  
22 you're talking about today, one is called the Voter  
23 Empowerment Act, which is sort of an omnibus bill.  
24 It is the broadest piece of voter registration  
25 modernization I think anywhere in the country. It



2 would take us basically to--through every improvement  
3 you can make legislatively without changing the  
4 Constitution in one bill. I'll talk more about the  
5 details of that in a minute. In addition, we're  
6 talking today about no excuse absentee voting.  
7 Currently, the State Legislature has already taken  
8 the step of removing some previously existing very  
9 artificial restraints that--that specified the kinds  
10 of reasons you had to be absent. We've eliminated--  
11 eliminated those, but one still under the  
12 Constitution of the State needs to be absent from--  
13 unavoidably absent from one's jurisdiction. In this  
14 case, New York City in order to vote. So if you  
15 can't make it to your poll site, but you're in the  
16 city somewhere, technically you're not permitted to--  
17 to take advantage of our current absentee voting  
18 system. This bill would eliminate those provisions,  
19 and allow the legislatures or--to set any reasonable  
20 conditions we need to. I just want--want to mention  
21 also the--the City Council has a broad state agenda  
22 this year, and has a few other election form  
23 proposals that are relevant today. You have come to  
24 Albany to--to--in support of instant run-off voting,  
25 which would eliminate the second election in citywide

2 elections. That's also a bill I carry and again a  
3 very important step because one of the things we're  
4 experiencing is vote fatigue (sic) where there are  
5 just more and more elections we're asking them to  
6 come back to. You've also, the City Council through  
7 this committee has--has come out in favor of early  
8 voting, which is a bill I carry and I expect we'll be  
9 seeing some action in Albany soon. The Assembly has  
10 passed it previously. We've revamped it and tried to  
11 address people's concerns, and you have come out in  
12 favor of eliminating the ten-day registration  
13 deadline for--for registering to vote, which again is  
14 a Constitutional provision. I'm not here to speak  
15 today much about public--about the campaign finance  
16 issues, but your system in the city is exemplary, and  
17 you have also joined us in calling for closing the  
18 LLC loophole. It is something we've been trying for  
19 several years, and once again part of the City  
20 Council's agenda, and I appreciate and commend you  
21 for that. So the two bills we have before us today,  
22 the voter empower--pretty much the--the--the second--  
23 I'll do the second of them first. It's the most  
24 straightforward one. As I mentioned, it basically  
25 eliminates Constitutional restrictions on when people

2 can--can participate in ab--in absentee voting, and  
3 it provides what's sometimes called no excuse  
4 absentee voting. Currently, the Constitution  
5 requires that you have--you--you have an excuse and  
6 you need to be unavoidably absent. So it's up to the  
7 voter to determine whether their particular  
8 circumstances or particular childcare duties warrant  
9 that, and then they have to fill out a form to do  
10 that. By eliminating that from the Constitution it  
11 would then allow us to act legislatively to remove  
12 any restrictions we have in--in statute. And--and as  
13 this--as the Chair mentioned, this bill is not--does  
14 not currently have a Senate sponsor. It does,  
15 however, have the advantage of having a separate  
16 Assembly bill carried by Assembly Member Jim Brennan,  
17 who has also been pushing this. And we have been  
18 working with Jim Brennan, and with the Chair of our  
19 committee, Mike Cusick to move this forward this  
20 year, and I expect we will with your help.

21 The Voter Empowerment Act, as I  
22 mentioned, is an attempt to really clear away the  
23 full range of--of restrictions that are in our  
24 current registration laws. It begins--the first  
25 experience people have with the registration system

2 is typically before their 18th birthday, or at least  
3 their first opportunity to do so because many people  
4 are presented with the opportunity to register at  
5 Department of Motor Vehicles. The bill begins with  
6 what is called youth preregistration. This is on the  
7 books in many states, and it basically allows the  
8 Department of Motor Vehicles or other agencies  
9 registering voters including high schools to pre-  
10 register, meaning collect all the information  
11 necessary to register. The board then verifies that  
12 at the 18th birthday, and the person automatically  
13 becomes registered. There's a very limited ability  
14 to register people very shortly before their 18th  
15 birthday in the current law. This greatly expands  
16 that. We--the bill calls for an on-line voter  
17 registration system. You may have noted that the  
18 Attorney General of the State of New York recently  
19 ruled in response to questions from the Suffolk Board  
20 of Elections that it is technically permissible to  
21 allow a registration to be done without what is  
22 called a wet signature, a signature in ink. However,  
23 the process that the Attorney General has determined  
24 is legal based on current law is still a pretty  
25 clunky process. He ruled that the signature can get

2 onto the piece of paper in an electronic way, but  
3 then the piece of paper still needs to be mailed in  
4 many circumstances. So it's not a fully online  
5 system that is made legal. I think it's a very big  
6 step, and a very positive step that the Attorney  
7 General has done that, but we ought to go ahead and  
8 create straight up online registration ability that  
9 boards of elections can implement directly at the  
10 state and at the city level.

11 We have--the--the bill also calls for  
12 again reducing those registration deadlines to the  
13 Constitutional minimum. We--you have--as I mentioned  
14 before, you--the Council and many of us in the  
15 Assembly agree we ought to eliminate the  
16 Constitutional restrictions, but the Constitution  
17 currently says that you can register up to ten days  
18 before the election. The Voter Empowerment Act  
19 addresses that by moving the deadlines, which are  
20 currently 25 days. It varies depending on which  
21 election is the longest of those 25 days. Moving all  
22 of those deadlines 10 days so that, you know, in--in  
23 the case of this year on April 9th you still could  
24 have registered for the April 19th Primary rather a  
25 day in March. It eliminates the provision that got a

2 great deal of attention this year that dates from the  
3 19th Century that requires that if you want to change  
4 your party you do it in the year preceding the  
5 election. So this year it was a date in October that  
6 applied to the April 19th Presidential Primary. It  
7 also is that date in October that applies to our  
8 September primaries this year. So you had to--you  
9 had to decide nearly a year in advance that you want  
10 to participate in this year's primary. It  
11 disadvantages sort of oddly people who have the  
12 misfortune of having previously registered to vote  
13 over people--it puts--it puts those people in a worse  
14 situation than people who have not registered and are  
15 just showing up for the first time. So this bill  
16 would again take that date and push it to the  
17 Constitutional minimum date. Make it the same date  
18 as the date to register. In--in the case of this  
19 bill, that's ten days.

20           Finally, it--it deals with a couple of  
21 fairly technical issues. It--currently registrations  
22 if the Board of Elections becomes aware that somebody  
23 moves. Within the jurisdiction, they can transfer  
24 the registration directly, but not across county  
25 line. If somebody moves from Yonkers to the Bronx,

2 or the Bronx to Yonkers, that registration process  
3 starts from strat--scratch. This bill would  
4 eliminate that allow those--those registrations to be  
5 automatically transferred. Finally, this bill, as I  
6 mentioned, does not technically provide for same-day  
7 registration, but it does give a lot of the  
8 advantages that come with same registration in that  
9 it explicitly provides that if somebody has attempted  
10 to register, and can show that, they are able to  
11 correct any defects in the registration record and  
12 still cast a regular ballot on election day. A lot  
13 of--one advantage of same-day registration, of  
14 course, is that somebody can wake up that morning and  
15 decide, you know, I think I'm ready to vote and they  
16 can get out there, and they can register and vote.  
17 That--that benefit cannot be provided without  
18 Constitutional amendment, but in many cases, you're  
19 dealing with voters who are showing up at the poll  
20 site. They believe themselves to have been  
21 registered. They, in fact, could even demonstrate  
22 they've been registered, and there may well be a  
23 record in the possession of the Board of Elections  
24 that corroborates that. But because the registration  
25 was not correctly recorded, it was ineffective and

2 then they can't vote. All of these changes, if  
3 implemented, and I will note that there are  
4 standalone bills on each of these as well. So we  
5 many end up negotiating somewhat in the coming  
6 session, the latter part of the session in Albany.  
7 But all of these changes collectively are intended to  
8 push out there into the world clearly the notion that  
9 the State Legislature and the Assembly--and the  
10 Assembly and the Senate, as well as the City Council  
11 and others who support these changes, are really  
12 committed to the notion that we're designing the  
13 system in order to encourage rather discourage  
14 voting. In addition to benefitting voters  
15 enormously, these--these kinds of changes will make  
16 it far easier to administer the system itself, and I  
17 mentioned the inflexibility of it at this--that--that  
18 is inherent in the system at this point. Partly,  
19 that's because the rules are so rigid that election  
20 workers even trying their best can't fix problems  
21 often because deadlines have passed. Because the  
22 system that they're administering is just too clunky.  
23 A lot of that comes form errors and logistical issues  
24 that I'm sure you're explore in future hearings. But  
25 a lot of them are imposed on the boards by the state



2 laws themselves, and that's why we're here to change  
3 them. Thank you. I think that's my testimony, and  
4 I'm happy to take any questions you have.

5 CHAIRPERSON KALLOS: Thank you--

6 [background comments] Thank you, Assembly Member.  
7 I'm a big fan of the Voter Empowerment Act. Just  
8 disappointed that it is 2016, and we are still trying  
9 to get some of these changes. Beyond passing this  
10 resolution, what else can the City Council or the  
11 City of New York do support passage of this  
12 legislation before June 30th of this year?

13 ASSEMBLY MEMBER KAVANAGH: Well, I--I  
14 would say that--

15 AMY LOPREST: [interposing] June.

16 ASSEMBLY MEMBER KAVANAGH: --there is--  
17 You know, hope springs eternal, but there is I think  
18 an unusual level of attention right now to the notion  
19 that these laws need to be corrected. And I think  
20 what we--what we need candidly is public pressure,  
21 and all of you have constituencies and organizations  
22 you work with to get the message out. We have until  
23 June 16th when the session ends, and I think it is  
24 important that my colleagues in the Assembly and the  
25 colleagues in the Senate, which you may know. As you

2 know, it's currently controlled by the Republican  
3 majority, some of whom are, you know, colleagues here  
4 in the city. But I think it's important that we get  
5 the message out there that these changes really are  
6 necessary, and that we--that we should be changing  
7 them. It is not--sometimes these things are  
8 partisan, but often they are resisted by the party  
9 establishment in each of our parties. And as elected  
10 officials the you're, of course, part of that  
11 establishment. And it's important that we make sure  
12 that we are sending the message to the public and to  
13 organizations that we work with, and to the leaders  
14 of our legislative bodies and our parties that we are  
15 prepared to compete in a system that is genuinely  
16 open to voter participation.

17 CHAIRPERSON KALLOS: Would there be any  
18 impact on the 100 or so thousand people who may have  
19 been disenfranchised in Brooklyn turning out in the  
20 next Assembly election to let their elected officials  
21 know that that is of paramount importance to them  
22 throughout Brooklyn, and even sharing that throughout  
23 the state and getting all-- The voter file has 16  
24 million people in it right now if all those 16  
25 million people actually made their voices heard and

2 said that they want their right to vote protected by  
3 their electeds. And so that might be a change for  
4 most of them who are voting for president, but we're  
5 not able to vote for assemblies here.

6 ASSEMBLY MEMBER KAVANAGH: Yeah, I--I  
7 would say, I mean the--I think it's important that  
8 the story of what went on in those purges be fully  
9 explored and, you know, there are several  
10 investigatory processes that are going on. But it's  
11 important for people to understand. There's an  
12 understandable concern that some sort of a conspiracy  
13 was mustered to remove those particular people to  
14 affect the outcome of the election. The message I  
15 think we need to get across to people is that this  
16 system is broken in ways that are predictable, in  
17 ways that have to do with the rules, and don't have--  
18 necessarily have to do with people sort of engaging  
19 in dirty tricks behind the scenes at the Boards of  
20 Elections. If we open up the process, and we make  
21 it clear to people that we have solutions for these  
22 problems, I think that we have a real shot of--of  
23 changing the laws in a way that will reduce the  
24 likelihood of that sort of thing occurring. And  
25 again, part of the problem they--part of the problem

2 that--that obviously seems to have resulted according  
3 to news reports from an error at the Board, a  
4 clerical error perhaps. Again, that's going to be  
5 fully explored, but having people purged from the  
6 rolls in advance is not that big a problem if they  
7 can simply show up at the poll site and register and  
8 vote. The problem that--that would--that problem  
9 that enormous error--error was compounded by the fact  
10 that in our election system if you're not registered  
11 to vote, there's nothing the Board of Elections or  
12 anybody else can do about it. So how we undo that  
13 and gives those people their rights after the fact is  
14 an incredibly important question. But the simple  
15 fact is in--in a different set of laws it would not  
16 have been such a big problem. It would have been and  
17 administrative headache.

18 CHAIRPERSON KALLOS: I think anyone who's  
19 interested in learning more they visit  
20 [votersearch.org/demographics](http://votersearch.org/demographics). I did an audit. I  
21 threw it up online. It took a couple of hours, and a  
22 lot of the people were actually purged in 2015 before  
23 the last November general with still a significant  
24 number of people purged since the last general, but  
25 it's a key concern. With regard to online voter

2 registration and change in the deadline, so on the--  
3 anyone who has looked at a voter registration form  
4 the deadline is 25 days. The State Constitution says  
5 it's only ten days, which means feasibly if people  
6 are doing online registration--do you believe that  
7 online-- I'm sorry. I'm trying to form a question.  
8 Do you believe online voter registration would help  
9 and assist with changing the deadline from 25 days to  
10 10 days as part of your Voter Empowerment Act?

11 ASSEMBLY MEMBER KAVANAGH: I think a well  
12 designed online registration system would change and  
13 improve every aspect of the registration process. If  
14 the data is put in by the voter on a screen that they  
15 can read and verify, and directly electronically  
16 transmitted to the people who have to then get it on  
17 the voter rolls without transcription, without people  
18 trying to read the handwriting and stacks of  
19 handwritten forms. I think that that would have an  
20 enormous, but beneficial effect on all of us, and  
21 certainly will make it easier for Boards of Elections  
22 to administer deadlines that are close to the--close  
23 to the voter--to the election day and indeed-- Again,  
24 what--what I would favor is allowing people to  
25 register right up to the election day.

2 CHAIRPERSON KALLOS: Thank you. Does  
3 anyone on the committee have questions for Assembly  
4 member Brian Kavanagh? Council Member Menchaca.

5 COUNCIL MEMBER MENCHACA: [pause]  
6 [coughs] Good afternoon, Assembly Member Kavanagh and  
7 I just wanted to again thank you for--for all the  
8 work you're doing out there, and clearly there's a  
9 lot of solidarity there, and we're going to continue  
10 that push. In light of the recent issues we're  
11 talking about, can you give us a sense about who--and  
12 even what we can say in Brooklyn because that's  
13 definitely where--where I--I want to start my  
14 advocacy. Is there anybody in Brooklyn that's not  
15 supporting that that's still kind of mulling over and  
16 thinking about it? It would be great. I'm trying to  
17 figure it out on--on the website right now, but if  
18 you can just tell me where I can--I can begin that  
19 advocacy.

20 ASSEMBLY MEMBER KAVANAGH: I--I don't--I  
21 don't think I want to sort of out colleagues those  
22 not having put their name on this bill yet. And in  
23 that, I think you and people are all--

24

25

2 CHAIRPERSON KALLOS: [interposing] I  
3 mean that's where we've got to start. It's just my  
4 style.

5 ASSEMBLY MEMBER KAVANAGH: But we--we--so  
6 the way--the way the--as you know, the way our  
7 legislative process works, our calendar works is we  
8 do the budget until April 1st. That is the primary  
9 activity of the first half of our year, and then we--  
10 we've now been on break through Passover and we are  
11 back in sessions tomorrow through June 16th. So I  
12 think it's fair to say there is going to be a big  
13 push now for addressing these things. I would also  
14 note that some of these bills have been moved in the  
15 past. I mentioned early voting of the Assembly has  
16 passed that twice with an overwhelming majority of  
17 members of both parties voting for it. So these are  
18 not--these are not new ideas, and it's not like  
19 there's some anti-reform caucus that's--that's  
20 blocking it. I just think it--that Albany is the  
21 place where it is challenging to get change done.  
22 And I think that people, you know, prioritize things  
23 they think may be challenging and worthwhile, but  
24 within the realm of the doable. I think the way to  
25 make sure that these things are within the realm of

2 doable is to pressure members of the Legislature in  
3 both parties to view this as something that is not--  
4 it's not just another set of reforms. You know,  
5 people grumble around election day, but then we  
6 forget and then we wait until the next election day  
7 and people are reminded of the problems. I think if  
8 you all and we all stay focused on this, we can build  
9 support for these ideas. I think it was mentioned  
10 earlier. I don't know if that was on the record or  
11 not, but the CFB and the Voter Assistance Commission  
12 of the City of New York and other organizations are  
13 bringing many, many people to Albany to make this  
14 point tomorrow. That kind of effort, which I  
15 encourage you all, I think it's not too late to get  
16 your name on--on the list and maybe down on one of  
17 the buses. But that kind of effort where we get  
18 large numbers of people to remind elected officials  
19 and others that this something that--that regular  
20 people really care about because sometimes people  
21 think reform is a secondary concern to some of the,  
22 you know, the economic issues and the other issues we  
23 deal with. But I don't--I don't we have any magic,  
24 and there's no--I--I don't want to say there's a  
25 particular person that is blocking this. I will say



2 it has been more challenging and we--in the Senate  
3 Majority with some of these things that the Assembly,  
4 but we're working with. We--we, you know, the intent  
5 is to work with both parties and try to get it done.

6 COUNCIL MEMBER MENCHACA: Well, then--  
7 then that is the intention, and--and that was  
8 intention of my question as well just to make sure we  
9 can start with folks that I think would be helpful,  
10 and we'll start, and we'll start in Brooklyn. And  
11 there's member of this committee that--that might  
12 want to join in partnership for that kind of work.  
13 It would be great to work with your offices as we lay  
14 the foundation. It might be one of the more  
15 impactful statements you made out of the many  
16 honestly that--that you presented. It's--it's worth  
17 repeating the--the purging that happened. That's a  
18 routine in so many ways, but was really highlighted  
19 in the most--this most recent Presidential Primary  
20 could all be fixed if we have these other bills in  
21 place, and then on the books. And--and I think that  
22 that's the message that we're going to--I want to  
23 take to--to my community in--in South--in South  
24 Brooklyn.

25 ASSEMBLY MEMBER KAVANAGH: Great.

2 COUNCIL MEMBER MENCHACA: So thank you.

3 ASSEMBLY MEMBER KAVANAGH: Thank you.

4 CHAIRPERSON KALLOS: I would advise my  
5 colleagues to take a look at A5972 on the Assembly  
6 Website, and if your assembly members are not there,  
7 ask them to sign on as co-sponsors or multi sponsors  
8 just as our constituents do with us, with each  
9 other's bills. And what I will say is I will ask my  
10 assembly members to sign onto your bill. I imagine  
11 that my senator has already signed onto what do you  
12 call it? To Gianaris' bill, and I guess I--it's hard  
13 for me not to ask you. You--you may--you may defer,  
14 but you mentioned there is no anti-reform caucus out  
15 there, but I--I feel like there's this body out there  
16 that--that might be obstructing it unless you feel  
17 that your companion bill in the Senate is--is all  
18 set. [laughs] You don't?

19 ASSEMBLY MEMBER KAVANAGH: I'm sure that  
20 was a question, but I, you know, I feel--I feel like  
21 we're in jeopardy. It's the second round. So it has  
22 to be phrased in the form of a question. No, I--I  
23 did--it again, there--the status quo is often the  
24 status quo for a reason, and obviously sometimes this  
25 resistance our--our intent is overcome it, and not

2 blame people for past failures, but to move forward  
3 and try to push people at both parties in both houses  
4 to get these things done. Because we do think  
5 there's a real significant desire on the part of the  
6 general public.

7 CHAIRPERSON KALLOS: Thank you. Anyone  
8 else? Council Member Reynoso.

9 COUNCIL MEMBER REYNOSO: What--what would  
10 this change do to party affiliation changes? If you  
11 were to show up the day of, and want to--is it just  
12 new registrants or would it be anyone can change  
13 their part over--in the same--on the same day?

14 ASSEMBLY MEMBER KAVANAGH: Yeah, there--  
15 there are--there are two distinct issues here. The  
16 first is that the registration deadlines for all  
17 people are too early, and we should move them up.  
18 Again, move--we--we should immediately legislatively  
19 move them to ten days before the election because  
20 that's what the Constitution permits, and then we  
21 should also change the Constitution, which is a  
22 longer process. It requires this legislature and  
23 then the next legislature to pass the Constitution  
24 amendment to do that, but we should--we should make  
25 those changes. There is a stand--a separate

2 standalone provision of the Election Law that should  
3 be repealed, and that provision says that your  
4 registration does not take effect-- Basically, I  
5 believe it's 25 days before the general election. It  
6 doesn't take effect until after the next general  
7 election. So that October deadline applies. The  
8 October 2015 deadline applies to all registration  
9 changes until this November 2016 election. So, you  
10 could--you should--you could--you could fix each of  
11 these problems separately. I would argue you should  
12 fix them both, but the--the standard should be on the  
13 standard in the Voter Empowerment Act is that the  
14 deadline for changing your registration is the same  
15 as the deadline for registering from scratch. And so  
16 you ought to be able to change from no party to a  
17 party or from one party to another party. Or from a  
18 party to no party just as you might do--just as you  
19 might register from scratch.

20 COUNCIL MEMBER REYNOSO: So, but--but  
21 nothing we have right now in the Constitution are  
22 changes that you be recommending or asking for that  
23 we-- Well, I guess it would fix both problems. I  
24 guess what I'm trying to say or trying to understand

2 is there also going to be an opportunity to change  
3 party at the same time that you register to vote?

4 ASSEMBLY MEMBER KAVANAGH: Yes.

5 COUNCIL MEMBER REYNOSO: All right.

6 ASSEMBLY MEMBER KAVANAGH: You could  
7 change--again, if--if you're registering for the  
8 first time, you're--you're designating a party from  
9 scratch.

10 COUNCIL MEMBER REYNOSO: I'm aware of  
11 that.

12 ASSEMBLY MEMBER KAVANAGH: If you are  
13 currently registered, again, under the current law  
14 you can change your address. You can change a lot of  
15 things about your registration up to the registration  
16 deadline, but you can't change your party if you--you  
17 don't so in the year before. So this bill and also a  
18 standalone bill I have would eliminate the provision  
19 and just say you can change your party registration  
20 up to the same deadline that a brand new voter can  
21 register.

22 COUNCIL MEMBER REYNOSO: All right, thank  
23 you. Thank you.

2 CHAIRPERSON KALLOS: As the Progressive  
3 Caucus love fest continues, Council Member Brad  
4 Lander.

5 COUNCIL MEMBER LANDER: First, let me say  
6 thank you, Mr. Chair, for convening this hearing on  
7 this really important set of bills. I'm proud to be  
8 a co-sponsor on most of. So thank you for your  
9 leadership. It's obviously a very important time.

10 CHAIRPERSON KALLOS: You already passed  
11 you bill. That would have been in the package.

12 COUNCIL MEMBER LANDER: [laughs] Hey,  
13 look, it's obviously a critically important time to  
14 be focusing on doing absolutely everything that we  
15 possibly can. I know you have some additional  
16 legislation that I'm excited about that I think would  
17 go even further to strengthening our Campaign Finance  
18 Laws, and--and you and I have talked about some  
19 additional conflicts law amendments that would go  
20 further in strengthening our conflicts laws. So-so,  
21 I'm--I'm--I'm supportive of all these things and  
22 appreciative of them. I hear you mentioned this  
23 before I go here, but I didn't if you saw--I saw  
24 yesterday night, you know, someone as--of no less  
25 eminence than a Marchasen, you know, a Nobel Prize

2 Winner is saying based on watching this presidential  
3 election that the time for choice. So instant runoff  
4 voting come. So that's not on today's item. I know  
5 it's a passion we share, and hopefully we'll be able  
6 to make that a reality before long.

7 ASSEMBLY MEMBER KAVANAGH: Right, and--  
8 and I did mention it before you arrived and--and  
9 noted that it is on the Council's State Legislative  
10 agenda this year, and--and I--I--I should mention  
11 also--I mentioned that one of the basic problems is  
12 we have too elections. We--there are too many times  
13 we're getting voters to come. One of them, we've--  
14 that Council Member Lander is referring to, which is  
15 our separate runoff system, which is really the only  
16 way to do a runoff if you have lever machines like we  
17 did when that bill was passed, but the--one of the  
18 benefits of optical scanning machines with paper  
19 ballots ought to be that people should be able to  
20 designate their second choice on the day of the  
21 election, and then if a runoff is necessary the  
22 runoff can be run by--by rescanning ballots and just--  
23 --and determining the outcome that way. That would  
24 say a lot of money. I would about \$10 to \$12 million  
25 perhaps in the citywide election, but it also is part

2 of broader effort to make it less cumbersome on our  
3 voters to participate in the process. I should note  
4 the other example of that is the fact that we have  
5 been running separate state and federal primaries for  
6 a few years now because the Senate and the Assembly  
7 have not been able to agree on a date to consolidate  
8 them, and because the current September state primary  
9 date is too late to meet federal law. So we've been  
10 having a June primary for the Congress and a  
11 September primary for the Senate and Assembly. That  
12 has caused a great deal of confusion every even year,  
13 and also as just another example where if you really  
14 want to participate you've got to come back again and  
15 again. So I am hoping that's something also that we  
16 can work on consolidating. But yeah instant runoff  
17 voting is something we're very committed to as well.

18 COUNCIL MEMBER LANDER: And I'll just say  
19 that in addition to its time and money saving, and  
20 not to having to have so many elections values, the--  
21 the goal of having people see the system as genuinely  
22 majoritarian that it doesn't have the opportunity, as  
23 we've seen in some places around the country and the  
24 presidential races, but that as we've seen here in  
25 our special elections for City Council and our



2 primaries that you can elect candidates with a very  
3 small percentage of the vote, which may mean that  
4 they are not well known, or which may mean they're  
5 extreme or fringe candidates and that--that rank  
6 choice gives us that majoritarian strength.

7 ASSEMBLY MEMBER KAVANAGH: Right, and  
8 the--and the bill--the bill we have now, we have--  
9 there are two bills on this. The bill we've been  
10 pushing initially is replace the existing citywide  
11 separate day runoff with an instant runoff that's  
12 done in a single day. That we also--I also have the  
13 bill I've worked on for a number of years with  
14 Senator Liz Krueger that would allow piloting of that  
15 concept in many other elections. And I know the City  
16 Council has--and--and Council Member Lander have  
17 pushed for broader use of that concept in--in city  
18 elections. And I think it's a--

19 COUNCIL MEMBER LANDER: [interposing]  
20 There's enough actually on today's calendar. I don't  
21 want to take up any more of your time with things  
22 that are not, but thank you for your leadership in  
23 Albany and your partnership with us.

24 CHAIRPERSON KALLOS: Thank you. Any more  
25 questions? Thank you Assembly Member. If anything

2 you've picked up a couple of more sponsors for  
3 Assembly members who are vetting--getting calls from  
4 their council members asking them to sign on, want  
5 whatever we can do to pass beyond this resolution, we  
6 hope to pass this soon, and we hope that this  
7 resolution carries weight in Albany. Thank you.

8 ASSEMBLY MEMBER KAVANAGH: Thank you.

9 CHAIRPERSON KALLOS: Our next panel will  
10 be Julia Davis from the Conflicts of Interest Board  
11 and then for the main event with Amy Loprest from the  
12 Con--Campaign Finance Board. And I want to thank the  
13 Conflicts of Interest Board for all the hard work  
14 that they do. They get at least one phone call a  
15 week from my office as we try to make sure we abide  
16 by every single rule, and as your counsel has  
17 advised, we often ask about angels dancing on the  
18 heads of pins on top of other angels. But that being  
19 said, it is grateful to have a resource such as yours  
20 to help keep us in line, and also thank you for  
21 working with us on the filings done by thousands and  
22 thousands of New York City employees and working with  
23 us to get those put online, which I told you back in  
24 2009 we would get done, but it took seven years.  
25 [laughs] If you--if I could swear you in. Do you

2 affirm to tell the truth, the whole truth and nothing  
3 but the truth in your testimony before this committee  
4 today, and to respond honestly to council member  
5 questions?

6 JULIA DAVIS: I do.

7 CHAIRPERSON KALLOS: Thank you. You may  
8 begin.

9 JULIA DAVIS: Good afternoon. My name is  
10 Julia Davis. I'm the Director of Annual Disclosure  
11 and Special Counsel for the New York City Conflicts  
12 of Interest Board. Accompanying me is the Board's  
13 Executive Director, Carolyn Lisa Miller. We are here  
14 to offer testimony on Introduction 2015-1002, which  
15 would eliminate the requirement for the Conflicts of  
16 Interest Board to provide candidates seeking matching  
17 funds from the Campaign Finance Board with a written  
18 receipt indicating proof of compliance with Section  
19 12-110 of the Administration Code of the City of New  
20 York, and instead require the Board to maintain a  
21 list of all candidates in compliance with  
22 Administrative Code Section 12-110. We support this  
23 change in the law as approving a requirement that is  
24 often overly burdensome to both participating  
25 candidates and COIB staff. The change will mean that

2 candidates will no longer have to ensure that a paper  
3 receipt be physically transferred from COIB to the  
4 Campaign Finance Board. It will also mean that COIB  
5 staff will no longer be required to prepare a paper  
6 receipt for every participating candidate. And  
7 especially onerous and doubtful (sic) when in 2013  
8 there are many open city elections. We do not  
9 envision the additional staff time needed to maintain  
10 these lists as onerous. Since we are talking about  
11 candidates and their filing requirements, I take this  
12 opportunity to bring to the Council's attention an  
13 issue in the City's Annual Discol--excuse me--  
14 disclosure law that we believe needs to be addressed.  
15 Section 12-110(b)(2)(a) requires that candidates file  
16 an annual disclosure report, "On or before the last  
17 day for filing his or her designating petitions  
18 pursuant to the Election Law." This creates a Catch  
19 22 situation. Since COIB cannot learn who has  
20 submitted designated petitions until after the  
21 deadline for filing them has passed, it cannot notify  
22 candidates of their obligation to file such report  
23 until they are already out of compliance. This is  
24 patently unfair especially to those candidates unable  
25 to afford experienced campaign staff. I invite the

2 Council to remediate--remedy this issue by fixing the  
3 deadline for the filing of annual disclosure reports  
4 by candidates that would enable COIB to notify  
5 candidates of their filing obligation with sufficient  
6 time for compliance, but would not undermine  
7 requirements and schedules of either the Campaign  
8 Finance Board or the City's Board of Elections. In  
9 conclusion, this bill would streamline the  
10 communication between COIB and the Campaign Finance  
11 Board concerning candidates' compliance with filing  
12 requirements as well as ease the burden on candidates  
13 for complying with these requirements. As such, COIB  
14 supports it. Thank you and I'm happy to answer any  
15 questions.

16 CHAIRPERSON KALLOS: That's enough.  
17 Thank you. Your request has been accepted. To all  
18 the other Council offices that are watching right  
19 now, we're putting in the LS request right now. So  
20 we'll hopefully we'll gain priority. We will see what  
21 happens, and thank you for your testimony. I think  
22 just full disclosure and I--I--I am attorney, and  
23 very aware with the Campaign Finance system and  
24 Conflicts of Interest Board and even I missed one of  
25 the deadlines, and had to go through a--a lot of

2 difficulty trying to send somebody at the right time  
3 especially if you're working full time while running  
4 for office to then go down I believe to get a copy of  
5 that certification I'd have to fill out a separate  
6 piece of paper authorizing them to obtain it on my  
7 behalf, almost as close as a power of attorney. Then  
8 they got it, and then have to drop it off at the  
9 Campaign Finance Board to make sure it go certified  
10 that we got the receipt. I think the first time the  
11 person didn't get the receipt it may have gotten into  
12 round file at CFB. So all of this would be  
13 incredibly better to do electronically, and between  
14 the two agencies rather than trying to pull folks  
15 into it. So we will accept the recommendation, and  
16 does anyone have any questions for Conflicts of  
17 Interest Board? See--seeing none, thank you very  
18 much.

19 JULIA DAVIS: Thank you.

20 CHAIRPERSON KALLOS: I'd like to now  
21 call up Amy Loprest from the Conflicts of Interest  
22 Board. [pause] And if the other members of the team  
23 who may ask questions can also identify themselves.  
24 If everyone could say their name and title, and then  
25

2 I will swear all three--swear or affirm all of you  
3 in.

4 AMY LOPREST: Swear me again?

5 CHAIRPERSON KALLOS: I need names from  
6 everyone first.

7 AMY LOPREST: I'm Amy Loprest--

8 CHAIRPERSON KALLOS: [interposing] Well,  
9 the--the--

10 AMY LOPREST: --I'm the Executive  
11 Director of the New York City Campaign Finance Board.

12 ERIC FRIEDMAN: Eric Friedman. I am  
13 Assistant Executive Director for Public Affairs of  
14 the New York City Campaign Finance Board

15 SUE ELLEN DODELL: I'm Sue Ellen Dodell.  
16 I'm the General Counsel.

17 CHAIRPERSON KALLOS: Do you affirm to  
18 tell the truth, the whole truth and nothing but the  
19 truth in your testimony before this committee today,  
20 and to respond honestly to council member questions?

21 AMY LOPREST: We do.

22 CHAIRPERSON KALLOS: You may begin.

23 AMY LOPREST: Good afternoon, Chair  
24 Kallos and member of the Governmental Operations  
25 Committee and Council Member Lander. I'm Amy Loprest,

2 Executive Director of the New York City Campaign  
3 Finance Board. With me today are Eric Friedman,  
4 Assistant Executive Director for Public Affairs and  
5 Sue Ellen Dodell, General Counsel. I want to thank  
6 the Chair for his leadership on these issues, and the  
7 members of the committee and the members who have  
8 sponsored the legislation we are--we'll be discussing  
9 today. I would also like to thank the staff of the  
10 Council and CFB for collab--collaborating on these  
11 bills that will strengthen the foundation of New York  
12 City's Campaign Finance Program for future elections.  
13 If you're following the campaign for president,  
14 you've heard a sustained and substantive discussion  
15 about the role of money in national politics. Several  
16 of the candidates have spent considerable time  
17 decrying the role that money plays in the political  
18 process. It is instructive to note that none of  
19 these candidates have chosen to--an existing public  
20 financing program for president elections. The last  
21 candidate to win a major party nomination while  
22 participating in the presidential public financing  
23 program for the primaries was Al Gore in 2000. The  
24 last general election candidate to win the presidency  
25 using the system was George W. Bush in 2004.



2 Candidates abandoned the system because it can no  
3 longer support a modern campaign for president.  
4 Congress created the program in 1974 and has left the  
5 framework untouched during the four decades since.  
6 It's fair to say that the business of political  
7 campaigning has changed considerably since the '70s  
8 while campaigns evolved to embrace cable TV, the  
9 Internet, and modern targeting tools and candidates  
10 started campaigning earlier and earlier. The  
11 Presidential Public Financing System has remained  
12 stuck in the disco era. By contrast, New York City's  
13 program created nearly 30 years ago has remained a  
14 vital component of the city's political system.

15           We required by the--our governing statute  
16 after each citywide election to review the impact of  
17 the Matching Funds Program upon the conduct of  
18 election campaigns in the city, and to recommend  
19 changes to the law. Our Post-Election Report from  
20 2013 Elections published in September 2014 put  
21 forward the proposals we will be discussing today.  
22 City law makers have regularly refreshed and update  
23 the program ensuring it stays relevant as city  
24 campaigns and elections evolve. This Council has  
25 acted decisively to strengthen disclosure of the

2 funding sources for independent expenditures after  
3 outside spending flooded the 2015 city elections. At  
4 the same time, the Council took action to ban  
5 anonymous communications so that voters can identify  
6 the sources of messages they receive. The CFB  
7 supports these proposals. As a result of the  
8 Council's ongoing commitment to help the CFB improve  
9 the Act, participation in the Public Financing System  
10 has remained high over the years. More than 90% of  
11 candidates on the ballot in the 2013 Primary  
12 Elections chose to join the program. The Matching  
13 Funds Program provides every candidate with the  
14 opportunity to access sufficient resources to get  
15 their message before the voters. It ensures that  
16 access to wealth is no guarantee of electoral  
17 success. Matching funds help participating  
18 candidates create a broad base of support. Research  
19 shows clearly that individuals from every  
20 neighborhood and every borough are investing their  
21 small contributions in city campaigns. This  
22 foundation helps ensure that the city's diverse  
23 voices have an opportunity to be heard here in City  
24 Hall. We appreciate the opportunity to partner with  
25 the Council to help ensure the program continues to--

2 to best serve the public the candidates who choose to  
3 participate. It is important to note that there is  
4 much we are doing on our own to ensure the program is  
5 prepared to meet the challenges that future elections  
6 will bring. We are implementing several projects  
7 that will further simplify compliance with programs'  
8 requirements while maintaining our commitment to the  
9 rigorous oversight the public has come to expect.

10 Last month we released NYC Votes  
11 Contribute, and first of its kind online contribution  
12 platform available to all city candidates. NYC Votes  
13 Contributes collects all the necessary data from  
14 contributors. It connects directly to the CFB  
15 disclosure software, automatically generates all  
16 documentation and recordkeeping required by our rules  
17 and transmits it directly to the CFB. To use the  
18 platform, campaigns can embed the contribution tool  
19 on their own website or direct contributors to their  
20 candidate page on [www.nycvotes.org](http://www.nycvotes.org). There are  
21 already 27 active campaigns using NYC Votes  
22 Contribute, and through today, they have raised more  
23 than \$10,000 through the platform. Development will  
24 continue through year in response to user feedback.  
25 Between now and the 2017 elections, we have plans to

2 strengthen and improve all of the systems that  
3 connect our work to candidates and to the public.  
4 This includes our disclosure software See Smart,  
5 which will have an improved and streamlined user  
6 interface and an expanded capacity to receive and  
7 organize backup documentation electronically. We  
8 have begun to offering a broader range of candidate  
9 trainings in new formats including online webinars  
10 and new voluntary one-on-one candidate consultations  
11 for campaigns have submitted at least one disclosure  
12 statement. We are continuing to work through our  
13 enforcement process for candidates in the 2013  
14 elections. We are meeting the deadlines in the  
15 Campaign Finance Act to complete our audit work, and  
16 match the pace we set for the 2009 elect audits.

17 Our throughout audit review showed that  
18 the majority of candidates are successfully  
19 navigating our system in substantial compliance with  
20 the Act and rules. More than half of the audits that  
21 have gone before the Board to date have contained no  
22 penalties. Nearly two-thirds of all candidates  
23 finished with--with penalties under \$1,000. Beyond  
24 these projects we have identified several changes  
25 that require legislative action. The bills before

2 the committee today will help modernize the program.

3 They will move outdated or unnecessary requirements

4 law imposed upon campaigns, help candidates better

5 plan their campaigns, and importantly they will

6 strengthen the law's protection against the influence

7 of Pay-to-Play. We urge the Committee and the

8 Council to approve them. I'm not going to go in the

9 numerical order, but in order of what we consider

10 importance. Intro 986 first will allow the Board to

11 make payment determinations for candidates earlier in

12 election year, which help provide participating

13 candidates with greater certainty about their public

14 funds payments well before they enter the crucial

15 final weeks of the election season. Under the Act,

16 candidates must be on the ballot to qualify for

17 public matching funds. This requirement prohibits

18 payments to participating candidates until

19 petitioning process ends and the ballots are set. As

20 a result, candidates who qualify for the first

21 payment may receive funds no earlier than five weeks

22 before the primary. The timing of payment

23 determinations can make planning difficult for some

24 campaigns. Candidates who fail to qualify for public

25 funds at the earliest date have limited time during

2 the busiest weeks of the election cycle to resolve  
3 the issues preventing their payment. An earlier  
4 payment date will provide campaigns with e incentive  
5 to qualify earlier and provide opportunities to fix  
6 compliance issues in a timely way.

7           The bill would allow payments as early as  
8 four days after the June 10th certification deadline  
9 for candidates who meet the threshold by the May 15th  
10 Disclosure Statement. To protect against the  
11 possibility of large payments to candidates who  
12 subsequently failed to make the ballots, these early  
13 payments are capped. \$250,000 for mayor can--mayoral  
14 candidates; \$125,000 for Public Advocate and  
15 controller candidates; \$50,000 for borough president  
16 candidates; and \$10,000 for Council candidates. For  
17 comparison, a mayoral candidate who has met the  
18 threshold, which is \$250,000 in matchable--matching  
19 eligible contributions would have qualified for a  
20 total payment of at least a minimum of \$1.5 million.  
21 Council candidates who meet the minimum threshold  
22 qualify for a payment of at least \$30,000. Initial  
23 research suggests that the danger of paying  
24 candidates who meet thresholds, but fail to earn a  
25 place on the ballot is small. In 2013, thee were no

2 candidates running in the primary elections who had  
3 disclosed contributions sufficient to meet the  
4 threshold through May 15th and subsequently failed to  
5 make to make the ballot. However, Intro 986 also  
6 requires that candidates who receive an early  
7 payment, but fail to campaign for office must return  
8 public funds they receive. Because we are now in the  
9 middle of the third year of the four-year election  
10 cycle, we urge the Council to amend the bill so that  
11 it takes effect only for elections after 2017.

12 Intro 985. Contributions from people who  
13 are doing business with the City government are  
14 strictly limited. Lobbyists, contractors, grantees  
15 and other business stewards may give no more than  
16 \$400 to a mayoral candidate, \$320 to a borough  
17 president candidate, and \$250 to a City Council  
18 candidate. Yet, the law allows those same  
19 individuals to bundle unlimited amounts of it to the  
20 same candidates, a loophole that undermines the  
21 intent of the law to prevent or limit the appearance  
22 of Pay-to-Play corruption. Lobbyists, developers,  
23 contractors and others who must observe the strict  
24 doing business limits can bundle contributions for  
25 many times what those limits allow them to give

2 directly and they do. Of the top ten dollar  
3 intermediaries from the 2013 election cycle, six were  
4 listed in the Doing Business database. Those  
5 contributions should not be matched with public  
6 funds. Intro No. 985 will make these contributions  
7 non-matchable, which will limit their impact and  
8 decrease the potential for quid pro quo corruption  
9 that may be associated with potential city  
10 contractors or lobbyists who bundle contributions for  
11 candidates. An analysis of campaign disclosures from  
12 the 2013 elections shows that bundlers are  
13 significantly more likely to be doing business with  
14 the city than contributors overall. Individuals in  
15 the Doing Business database account for 19% of all  
16 intermediaries but just 2% of all contributors. In  
17 the 2013 elections, more than \$203,000 in  
18 contributions were bundled by someone doing business  
19 in the Doing Business database including for matching  
20 funds. If--if Intro No. 985 had been in place, and  
21 estimated \$1.2 million in public matching funds would  
22 not have been disbursed to campaigns.

23 In the 2017 elections to date, more than  
24 \$29,000 in matching claims reported by campaigns have  
25 been bundled by someone doing business with the city



2 government. The potential impact of matching funds  
3 payments to date in 2017 elections is more than  
4 \$176,000. The disparity in the total suggests that  
5 passing Intro 985 now should have a significant  
6 impact on--on fundraising for the 2017 elections as  
7 most bundling activity we expect to see 2017 is yet  
8 to occur. New York City's law has some of the  
9 strongest and broadest restrictions on Pay-to-Play at  
10 any level of government. This legislation is an  
11 important measure that will strengthen those limits  
12 even further.

13 Intro 990. Candidates who opt out of the  
14 Matching Funds Program must observe the same  
15 contribution limits as participants and they also--  
16 also observe the ban on corporate contributions.  
17 These requirements for non-participants were upheld  
18 in 2013 in *McDonald v. New York City Campaign Finance*  
19 *Board*. The Act allows participating candidates to  
20 accept contributions from political committees only  
21 if they are registered with the Board. In  
22 registering, political committees affirm that they  
23 will not use money from prohibited sources like  
24 corporations to make contributions to candidates.

2 Intro 99 will ensure that participants and non--non-  
3 participants alike will observe this requirement.

4 Intro 1002. Candidates for public office  
5 in New York City re required to file personal  
6 financial disclosures with the COIB. To be eligible  
7 to receive funds, the Act directs participating  
8 candidates to provide paper receipts to the CFB  
9 indicating the disclosure has been filed with the  
10 COIB. The disclosure requirement should and will  
11 continue as a condition for public funds eligibility.  
12 However, Intro 1002, will eliminate this paperwork  
13 burden of notifying the CFB from candidates.

14 Intro 989. The CFB prepares and prints a  
15 photo guide for all regularly scheduled elections in  
16 which there are contested races for mayor, public  
17 advocate, controller, borough president or City  
18 Council, and in years that there are local referenda  
19 on the ballot. The charter requires the CFB to print  
20 and distribute a guide to each household with a  
21 registered voter before each primary and general  
22 election. New Yorkers expect resources for election  
23 information that provides the same interactivity and  
24 convenience they have in their everyday lives. More  
25 and more they're relying on laptops, Smart phones and

2 Tablets to access information to help them make their  
3 choices on election day. The CFB's Online Guide has  
4 become a vital resource for many of those voters. To  
5 the extent feasible, Intro 988 will allow New Yorkers  
6 who prefer to access the Guide electronically to opt  
7 out of receiving the guide in the mail. Bill offers  
8 the potential to reduce our reliance on paper, and  
9 dis--decrease the most significant costs of Voter  
10 Guide printing and postage.

11 Intro 987. Courts have consistently  
12 upheld the constitutionality of limiting  
13 participation in debates to candidates who meet  
14 objective, non-partisan and non-discriminatory  
15 standards. Pursuant Local Law 58 of 2004, the Act  
16 maintains basic minimum criteria for participation.  
17 Candidates must raise and spend more than one-fifth  
18 of the threshold for public funding, demonstrating  
19 they have achieved a minimal level of support.  
20 Thresholds for debate participation have not changed  
21 even if spending limit have increased more than 20%  
22 over the same period of time. An increased standard  
23 tied to the expenditure limit is a better objective  
24 indicator viability. The Board proposes that  
25 candidates should be required to raise and spend 2.5%

2 of the expenditure limit for the office they seek.  
3 Other clarifications to debate law would provide  
4 certainty for candidates and the public. For  
5 instance, the law should be clear that outstanding  
6 liabilities and loans do not count toward debate  
7 eligibility. Requirements should be uniform for  
8 participants and non-participants. Anyone who's paid  
9 attention to the ongoing presidential race has  
10 experience the challenge of producing debates that  
11 are both informative and engaging.

12 Intro 987 will provide CFB the ability to  
13 help debate sponsors produce compelling debates that  
14 best serve the needs of New York City voters.

15 Intro 1001. Individuals of ownership,  
16 interested entities doing business with the City  
17 Government are covered by Doing Business limits. It  
18 is not uncommon, however, for business entities to be  
19 owned by other business entities especially in real  
20 estate. In these cases, neither of these entities  
21 nor the individuals who control them are listed in  
22 the Doing Business Database. These shell companies  
23 can obscure the identifies of the firm's ultimate  
24 owner and decision maker. As a result, the  
25 individual who controls the firm doing business with

2 the city may be shielded from coverage by the lower  
3 more restrictive contribution limits in the Act.

4 Intro No. 1001 will require that Doing Business  
5 entities report not only the names of the own  
6 officers and owners, but also those any entity with a  
7 significant ownership interest.

8 Intro 980. Legislation passed before the  
9 2001 election allowing candidates to create  
10 transition inaugural entities' ties, set the  
11 contribution limits for those entities identical to  
12 those for campaigns. Pursuant to the Act, campaign  
13 contribution limits were increased by 10% in 2002 to  
14 reflect changes in the Consumer Price Index, but TIE  
15 contribution limits were not changes. Amendments to  
16 the Act over the years have harmonized other campaign  
17 and TIE regulations. For instance by prohibiting  
18 TIEs from accepting contributions from corporations  
19 and other business entities. By equalizing the  
20 contribution limits for campaigns and TIEs, Intro 980  
21 will reduce confusion among contributors and elected  
22 officials. Generally, we have proposed some  
23 technical changes to the bills with Council staff.  
24 Most important of these are the effective dates that  
25 allow the CFB the time necessary to implement these

2 changes. We look forward to working with the Council  
3 further to address those technical issues as these  
4 bills move forward. Finally, we want to thank the  
5 Board--the Committee for the two resolutions you are  
6 considering today. These are especially timely.  
7 Tomorrow, NYC Votes will lead more 200 volunteers to  
8 Albany as part of a coalition of community  
9 organizations and civic groups to push for  
10 legislation that will bring New York's elections into  
11 the 21st Century. Our Vote Better NY Campaign is  
12 seeking to convince legislators to passing meaningful  
13 election reform this session. We thank the Council  
14 for your support and advocacy on these issues, and  
15 invite you to join the effort on social media or in  
16 person.

17 Year after year, New York ranks among the  
18 low--the least engaged, lowest turnout states in the  
19 nation. Earlier this month we saw many of the  
20 reasons why. New York deserves better. First and  
21 foremost are pen and paper voter registration system  
22 is outdated and error prone. We join the call you've  
23 raised today to urge legislators in Albany to start  
24 to solve this problem by passing the Voter  
25 Empowerment Act. More information on these and other

2 reforms as well as the full range of voter engagement  
3 activities we've conducted through NYC Votes Campaign  
4 are include in our Annual Voter Assistance Report,  
5 which was distribute--distribute--delivered to the  
6 Council last week. Thank you for the opportunity to  
7 testify here today on this legislation, and I'm happy  
8 to answer your questions.

9 CHAIRPERSON KALLOS: Thank you very much  
10 for your testimony and your patience. You are the  
11 main event. We've been joined by Council Member  
12 Borelli, who maintains perfect attendance on this  
13 committee. However, this is the first time he did  
14 not beat me to a hearing. [laughter] So it--it is  
15 all right. I think I have to start with the--the  
16 elephant in the room, which is just the overall  
17 question of can you share some evidence how campaign  
18 finance reforms in this system is actually reducing  
19 corruption, and giving everything we're reading in  
20 the New York Post everyday.

21 AMY LOPREST: Well, no matter how strict  
22 you make rules, no anti-corruption program will com--  
23 completely ever eliminate corruption. It can make it  
24 more difficult, and it could make it more likely to  
25 be discovered, and I think that's what our system

2 does. What our system does is put more good people  
3 in the position that they can do--can be a  
4 successful. The Matching Funds program makes it  
5 possible for more good people to run competitive  
6 elections, empowers candidates to rely on small donor  
7 contributions. And our disclosure requirements mean  
8 that anyone can access the information they need to  
9 hold elected officials to a high ethical standard.

10 CHAIRPERSON KALLOS: And so along those  
11 lines with regards to Intro 985, what evidence do you  
12 have that bundling by those doing business with the  
13 city is an issue? And I question I received by one  
14 of our viewers is in your testimony you indicated a  
15 figure of approximately \$203,000, which led to  
16 matching claims of \$1.2 million in 2013. What was  
17 the total amount bundled by people in the Doing  
18 Business database? So two separate questions with  
19 that.

20 AMY LOPREST: With the database. I don't  
21 know if I have the exact number of the total amount  
22 that was bundled because we are focusing on the  
23 matching funds issue. I--I can get that information,  
24 and--

25 CHAIRPERSON KALLOS: Perfect.



2 AMY LOPREST: --I'll get that.

3 CHAIRPERSON KALLOS: And just what  
4 evidence do you have that bundling by those doing  
5 business with the city is an issue?

6 AMY LOPREST: Well, it's just--if  
7 they're--I mean, there are large numbers. I mean as  
8 I said in my testimony of the top ten bundlers in the  
9 2013 election, six of them were in the Doing Business  
10 Database. So they are bundling large amounts of  
11 money, and this would reduce the--I guess being this  
12 effect, but sort of the additional effect of matching  
13 those contributions with public money.

14 CHAIRPERSON KALLOS: So--so along those  
15 lines I took some time to do some analysis of the  
16 transparent database, which I thank you for. I spend  
17 a lot of time in it, and noticed that there were--  
18 there was a--there were folks like related companies  
19 as particular individual firm related companies, Jay  
20 Kriegel. He bundled \$111,045. He claims \$3,575 in  
21 matching claims, which indicates these were pretty  
22 big checks that were coming in, and the City ended up  
23 paying out \$21,450, which comes out to about 16% on a  
24 total raise for candidates of \$132,495. Is that one  
25 instance? Are there other instances that you can

2 point to where lobbyist dollars, people doing  
3 business have their dollars matched and have their  
4 voice amplified?

5 AMY LOPREST: Well, I mean that--that is  
6 the numbers that I gave in the--the \$203,000  
7 amplified to \$1.2 million.

8 CHAIRPERSON KALLOS: Right. I think  
9 along the same lines another example would be a  
10 lobbyist. Michael Woloz bundled \$272,400--\$272,465,  
11 had \$8,225 in matching claims for a public funds  
12 payment of \$49,350, which meant that this one  
13 individual is able to claim that they had raised  
14 \$321,815 after bundling. Of that, 15% came from  
15 taxpayer dollars. So I guess is the current system  
16 incentivizing bundling? Does--does--are the  
17 incentives that we're trying to offer for small  
18 dollar contributions by mistake or however also  
19 incentivizing bundling in their lobbyists?

20 AMY LOPREST: Well, I mean the amount  
21 that has been given, and in the Doing Business Law  
22 when it was passed did have a very immediate effect  
23 on the total amount of contributions that were given  
24 by people who were doing business with the city. As  
25 I said, it went down 2%, and so there's--there's a

2 direct to passing the law, the--the lower limits, and  
3 the amount of money that's given by people who doing  
4 business with the city. And so there's a direct  
5 relation to passing the law, lower--the lower limits,  
6 and the amount of money that's given by people who  
7 are doing business with the city. You're right,  
8 there is--being one of the reasons we made this  
9 recommendation that there is still this potential for  
10 people to bundle or to mediate contributions and have  
11 those contributions match with enough amplifying that  
12 amount of money. So, yes, there is the chance, and  
13 that's why we're recommending that this law be  
14 changes.

15 CHAIRPERSON KALLOS: We've just been  
16 joined by Council Member Greenfield. We were  
17 beginning to worry about his health. We were about  
18 to start call for the local hospitals to make sure  
19 something wasn't drastically wrong for him to miss  
20 this opportunity, but I'm guessing he was watching  
21 the live stream and waiting for CFB to come up.

22 COUNCIL MEMBER GREENFIELD: Of course.  
23 My favorite city agency. [laughs]

24 CHAIRPERSON KALLOS: Fair enough. So  
25 continue. So along those lines, so for example

2 Michael Woloz at Connelly McLaughlin and Woloz can  
3 only give \$400 to the mayor, \$320 for borough  
4 president or \$25 for City Council under the law. Is  
5 that correct?

6 AMY LOPREST: Yes.

7 CHAIRPERSON KALLOS: But the way around  
8 it is for him to be able to bundle and those bundles  
9 have been matched, but under this change in the law  
10 it wouldn't be matching. Public dollars would not be  
11 used to amplify the voice of--of lobbyists?

12 AMY LOPREST: That's correct.

13 CHAIRPERSON KALLOS: Perfect, and has--  
14 has the CFB heard from any lobbyists in favor or  
15 against this legislation?

16 AMY LOPREST: No. [laughs]

17 CHAIRPERSON KALLOS: And do we believe  
18 that-- We--we actually did--sorry [laughs] With good  
19 government, good government groups are also lobbyists  
20 so they--they had self-identified in the back room,  
21 and let the record reflect that my brothers and  
22 sisters at NYPIRG raised their hand. But in terms of  
23 the Doing Business lobbyists that--with regard--who  
24 represent other folks who are money, have--they  
25 haven't come out--

2 AMY LOPREST: [interposing] No.

3 CHAIRPERSON KALLOS: --in favor or  
4 against, and as far as I under--do you believe that  
5 lobbyists who represented others for money have the  
6 sophistication and wherewithal to know that they  
7 could come out to this hearing to speak in favor or  
8 against this legislation.

9 AMY LOPREST: [laughs] I--I--I assume  
10 that they did.

11 CHAIRPERSON KALLOS: Perfect and so let  
12 the record reflect that we do not--had any cards from  
13 any lobbyists. The lobbyists have stayed home on  
14 this one, and the assumption is hopefully that they  
15 are supportive of this legislation. And I--I believe  
16 that they do have the wherewithal to make their  
17 voices heard should--should they so desire.

18 [background comments] Uh-huh. [pause]

19 MALE SPEAKER: --[off mic] legislation and  
20 I know my math. (sic)

21 CHAIRPERSON KALLOS: Well, they're--  
22 they're not here in our position, and then with  
23 regards to 985, spouses and family members are not  
24 covered by the same limits as those doing business  
25 with the city. Is there any concern that that

2 notwithstanding this legislation, individuals who  
3 find ways to have to their funds matched or that  
4 bundling will somehow be driven underground?

5 AMY LOPREST: You know, we're--I mean I  
6 think we're trying to do incremental--I mean  
7 approach. I guess we'll look into it to see if  
8 there's been a change, you know, if--if the law is  
9 passed, and--and what research that--to see if there  
10 is that kind of activity.

11 CHAIRPERSON KALLOS: With regard to Intro  
12 986, which would change the payment deadline, what  
13 evidence anecdotal or otherwise do you have, if the  
14 current payment cycle is a problem for candidates?

15 AMY LOPREST: Well, I mean we--we feel  
16 that it's in--as I said in my testimony both in terms  
17 of the ability to budget more rationally, and also to  
18 fix problems earlier in the election cycle. That's  
19 why we made this proposal. It's, you know, to--  
20 knowing in June that you have a problem that might  
21 cause you not to get paid is a lot because you have  
22 more time before the heat of the election starts in  
23 August or September for the primary. It gives you  
24 enough time to rectify those problems.

2 CHAIRPERSON KALLOS: Following up on this  
3 early payment legislation, in--in your time with the  
4 CFB, have you ever seen candidates who filed to  
5 become candidates but then without a public funds  
6 payment, without substantial fundraising activity end  
7 up trying to position on the ballot, but then end up  
8 not making it onto the ballot following challenges.  
9 And do you think that this early payment could  
10 actually help people with the legal funds that they  
11 need to survive without challenge. We're--we're  
12 joined her by the Gotham Gazette and they've done  
13 some coverage on the--they have a specific term for  
14 it, but they've got a series of articles on people  
15 being the-- Dick, do you know the--what's the term  
16 you folks are using? It's the ballot box something  
17 or other? But anyway, the--the block--blocking the  
18 ballot as it were?

19 AMY LOPREST: Well, and I have two  
20 statements. Based on our analysis and--from 2000--in  
21 2013, there would have been no candidate who had met  
22 the threshold by the May 15 filing that would have--  
23 was knocked off the ballot. So that's just  
24 empirical. Another point to note is that you can't  
25 use public funds for ballot litigation. So it's not

2 a qualified expenditure. So that is also important  
3 to note. Also, the changes to the ballot, a petition  
4 process that were passed for the city--for the city  
5 charter amendment in 2010, made it significantly  
6 easier for candidates to petition onto the ballot.

7 CHAIRPERSON KALLOS: Thank you. So I  
8 think that is helpful for folks to know who are in  
9 the business of knocking other folks off the ballot,  
10 that they public monies couldn't be used to do that.  
11 That's slightly disappointing for me to learn today,  
12 but [laughter] I think we should have more people on  
13 the ballot, and I think democracy does not work when  
14 you only have one person to vote for, quote, unquote.  
15 With regards to local--local--Introduction 1101 on  
16 behalf of--sorry--1001, on behalf of Council Member  
17 Williams, and this legislation will require  
18 disclosure of entities that own entities that do  
19 business with the city. Which, of course, the  
20 entities that own the other entities do not have to  
21 disclose let alone are not subject to the doing  
22 business restrictions. Would you support an  
23 expansion of the legislation to not only require  
24 disclosure for entities or individuals who own 10% of



2 companies that do business with the city, but to also  
3 limit their contributions?

4 AMY LOPREST: I mean we'd have to discuss  
5 how that would work, but I--we--I think we're open to  
6 that.

7 CHAIRPERSON KALLOS: Great and are there  
8 any examples of entities that own entities with the  
9 city or individuals that own entities that do  
10 business with the city? Are these shell companies or  
11 is these--are these people doing business as a matter  
12 of course?

13 AMY LOPREST: So, Mr. Friedman likes to  
14 always use this example when he talks about it.  
15 [laughs] So, I'll--I'll use this example that the  
16 person who owns our building that our office is in,  
17 is S.L. Green, but Stephen Green the owner of that  
18 company is not currently in the Doing Business  
19 database because of these kinds of--the way their  
20 reporting works, and that's an example.

21 CHAIRPERSON KALLOS: Thank you. That is  
22 our first round of questions for me. You have  
23 questions from Council Member Lander followed by  
24 Council Greenfield and Council Member Borelli, and  
25 then we'll go onto a second round.

2 COUNCIL MEMBER LANDER: Thank you, Mr.  
3 Chair, and thanks to you and your staff and--and the  
4 board and your team in general for your work. It--  
5 it-to have this team of people that diligently look  
6 at the law and keep helping us find ways to close  
7 loopholes and make it better makes a big difference.  
8 As you know, I'm a long time fan and have both  
9 sponsored legislation to strengthen law, and done  
10 Amicus briefs in some of the loss--losses that I've  
11 held--defended. To me I think the most significant  
12 thing, and--and I'm proud to be a co-sponsor on most  
13 of the pieces of legislation on today's calendar and  
14 I appreciate your feedback on them in detail. I  
15 really do think that the strengthened restrictions  
16 around doing business are the most important things  
17 we're talking about today, and in some ways one of  
18 the great features of our law. So first, what I want  
19 to do is make sure I remember the numbers on--you  
20 know, you went to--you--you cited the 2% number.  
21 Beforehand, as I recall, it was something like 35,  
22 36% of contribute--prior to our doings business  
23 restriction. Well, let me just ask it like that.  
24 Prior to our doing business restriction, what percent

2 of contributions were from interest--doing business  
3 with the city?

4 ERIC FRIEDMAN: So before the--the  
5 restrictions were passed in 2007, in those previous  
6 two elections, it was--it was about 20, 20 to 25% of  
7 all contributions to all candidates came from people  
8 who were doing business with the city. And so what  
9 you saw afterwards is that that number dropped  
10 sharply to the point where in--in the past--in the  
11 most recent election in 2013, that number is about  
12 2%. Now, what you're seeing with bundling is--is  
13 kind of bundling--it's sort of like the level is at--  
14 that it was it was before the Pay-to-Play  
15 restrictions came in. About 25% of the overall money  
16 bundled in the last election came from bundlers who  
17 are--who were doing business with the City at some  
18 point during the election cycle.

19 COUNCIL MEMBER LANDER: And as recall,  
20 the--the percent in City Council races was even  
21 higher, maybe that that percent in the 30s that I'm  
22 remembering was specifically looking at City Council  
23 races?

24

25

2 ERIC FRIEDMAN: I--I can't break down by  
3 office off--off the top of my head. I'm happy to do  
4 it and get back to you. (sic)

5 COUNCIL MEMBER LANDER: [interposing]  
6 No, I'm--I'm pretty sure that number that Doing  
7 Business kind visions into Council races prior where-  
8 -where the role is actually up in the 30s. In any  
9 case, that's an extraordinary drop, and I just think  
10 it's important to underline, you know, if what we  
11 think the--the real core corruption risk is. The--  
12 one of the clear and core goals is to eliminate the  
13 Pay-to-Play incentives, and if that's what we want to  
14 focus on in response to what we're reading in the  
15 newspapers. It seems to me the first thing to do is  
16 to remember that laws can be effective, and that we  
17 significantly pushed Pay-to-Play money, doing  
18 business money out of the system in this very  
19 sensible concrete way, and we ought to like underline  
20 it a few times, and then figure out what we got to do  
21 next to take it further. So, I'm a co-sponsor and a  
22 proud supporter of 985, but I guess I want to ask  
23 about the things that we could do to make it go  
24 further. You know, are there things that we could do  
25 to further--it's useful to eliminate the match, but

2 I'd love to know if there's things you think we could  
3 do that that could go further. Obviously, we--we  
4 brought the limit down on what kind of contribution  
5 that folks could give. We not only eliminated the  
6 match, we reduced the cap from \$2,750 to \$250. I--I  
7 speak in Council race numbers. Obviously, you can  
8 translate those into citywide or borough wide race  
9 numbers. Could we further restrict? Could we say  
10 that if you're business, you can't bundle at all, or  
11 you can't bundle contributions bigger than the ones  
12 that you can give? Or, do you think those would run  
13 afoul of Citizens United?

14 AMY LOPREST: You know, I think we'd have  
15 to look into the--the constitutionality of both those  
16 proposals. I mean I think there are merits to them,  
17 but I think we'd have to be careful of that.

18 COUNCIL MEMBER LANDER: Okay, and I mean  
19 I think this is why we're lucky to have you and your  
20 team. So I guess--I don't know, you know, Ben's  
21 staff, a priority beat me to the LSs they did on  
22 quite a few of these. [laughter] But I don't really  
23 care who's the lead. I would like to explore whether  
24 we could, you know, both in the Council, and I would  
25 appreciate if you would look at that as well, whether

2 we could, you know, eliminate bundling or just so you  
3 could bundle no more than the contributions you're  
4 allowed to make. And it sounds like you had given  
5 some thought to the questions of spouses and--and  
6 family members, which again, you now, I--on the one  
7 hand I don't want to restrict people's family members  
8 from doing their own genuine politics. On the other  
9 hand, it's a pretty straightforward loophole to have  
10 your spouse bundle the same contributions that you  
11 couldn't. Have you looked into whether those would  
12 survive constitutional challenge?

13 AMY LOPREST: Well, it--you know, there  
14 is those kind of provisions in the lobbying law that  
15 was passed before the Doing Business Law. So--but we  
16 can look into that. I don't--I don't know how, you  
17 know, extending them how that would work. And again,  
18 I mean obviously spouses are separate people and have  
19 --

20 COUNCIL MEMBER LANDER: [off mic] Right.

21 AMY LOPREST: --some of their people.  
22 (sic) You know, it's a question of limiting people's  
23 political expression when they are no the same person  
24 as their spouse.

2 COUNCIL MEMBER LANDER: Absolutely, and  
3 I--these are--can be touch issues. you, of course,  
4 don't want to limit people's abilities to express  
5 independent political positions of their spouses, and  
6 you don't want to leave a giant loophole open where  
7 folks whose work together is so straightforward that  
8 it's obviously what's happening in any case. You in  
9 response to the chair I think that had an issue that  
10 I was going to raise, or a different precedence on  
11 that one, but obviously there's only--you know, I'm--  
12 I'm pleased to be a co-sponsor on Council Williams'  
13 bill about ownership of entities, but it seems that  
14 as disclosure is--doesn't mean that much if we don't  
15 take the next step also. If the whole point is to  
16 identify the Doing Business interest, would there be  
17 any reason--can you think of any reason we wouldn't  
18 want to restrict ownership entities of entities doing  
19 business in the same ways that we restrict the  
20 entities themselves?

21 AMY LOPREST: I--I think that--I mean  
22 there might be some technical administrative issues  
23 because, you know, getting--creating the systems I  
24 think that Mr. Berger spoke about that  
25 administrative--if you--when you cross-ref (sic) the

2 administration about creating that information and  
3 then implementing it, you know, for the 2017  
4 election.

5 COUNCIL MEMBER LANDER: And we grappled  
6 with this on the Independent Exclusion--Independent  
7 Expenditure Disclosure Law as well trying to figure  
8 out how many, you know, nested loops you can cover,  
9 but it looks like, you know, I can see that. (sic)

10 ERIC FRIEDMAN: I would just--I would  
11 just add to the--the administrative piece that the  
12 database is not actually in our control, right.  
13 It's--it's--it is maintained by the Mayor's Office of  
14 Contract Services, and so there is some level of  
15 coordination required to make sure that the right  
16 people are being covered, and so on. So, I think  
17 that adds a layer.

18 COUNCIL MEMBER LANDER: And this goes to  
19 my question, which I think is starting to--to veer  
20 outside its--of what's on today's calendar, but the  
21 question of folks in the Doing Business database and  
22 solicited contributions by not-for-profits to  
23 charitable organizations seems to me another thing we  
24 might want to think about. And I'll be honest, I've  
25 done that. I raised money for like PTAs in my school



2 district, and I'm allowed under the current rules,  
3 though I couldn't solicit contributions in excess of  
4 the \$250 or matchables for my campaign account. You  
5 know if I'm fundraising for a PTA or another good  
6 cause, I'm allowed without limit to solicit people in  
7 the Doing Business database. That's also your  
8 understanding of the law?

9 AMY LOPREST: Yes, I think so. I mean  
10 I'm not an expert on the Conflicts Law, but I--I seem  
11 to be very [laughs] good at--

12 COUNCIL MEMBER LANDER: [interposing] So  
13 I just thought that that would be Conflicts Law  
14 restriction not Campaign Finance Law restriction,  
15 right, because they--you guys cover campaign finance  
16 registered committees, and things that risk--relate  
17 to conflicts with elected officials of elected  
18 officials would have to be handled--

19 ERIC FRIEDMAN: Good.

20 COUNCIL MEMBER LANDER: --through the  
21 Conflicts Law with COIB, but obviously could related  
22 to that Doing Business database in the same ways  
23 that--it's not your database. That's a city data--  
24 Doing Business database?

2           AMY LOPREST:     Well, you know, we  
3 certainly obviously overlaps between the Campaign  
4 Finance laws and conflicts laws in--in these kinds of  
5 areas. So in developing those legislative proposals,  
6 we would be--

7           COUNCIL MEMBER LANDER:   Are you familiar  
8 with any place--I mean I guess I, you know, I think  
9 we're out in front in having a Doing Business  
10 database and its deep connections to our Campaign  
11 Finance system. Obviously, you know, compared to the  
12 State, you know, it's--it's--it's night and day. I  
13 wonder if you're aware of other jurisdictions who  
14 have robust doing business prohibitions, a good doing  
15 business database, and perhaps we might look to if we  
16 want to think about the intersections of that and the  
17 Conflicts Law, or how it would relate to campaign  
18 finance or our conflicts systems.

19           AMY LOPREST:   Well, many states and other  
20 jurisdictions have the Pay-to-Play laws. Of course,  
21 New York City's is one of the best in the country  
22 because of its--the extensive definition of what--who  
23 is doing business with the city. Many of these other  
24 jurisdictions cover government contractors, and  
25 bidders on contracts, and we have a very extensive

2 definition. But there are many--many other  
3 jurisdictions that have Pay-to-Play laws,  
4 Connecticut. It's--the State of Connecticut, the  
5 state of New Jersey both have Pay-to-Play laws.

6 COUNCIL MEMBER LANDER: And--and--okay,  
7 let me leave it there. There's a lot on this  
8 calendar and other folks with questions. So I may  
9 come back to you on another point. Thank you. Thank  
10 you, Mr. Chair.

11 CHAIRPERSON KALLOS: Thank you and I--  
12 just to follow up a little bit on what Council Member  
13 Lander said, and I think has been reported well by  
14 Aaron Dirkman (sic) at the Daily News, there is quite  
15 a frequent situation where if you look at max  
16 contributions to higher offices that you will see a  
17 lot of the same last names. Where instead of one  
18 person giving for an entity, you will see them, their  
19 spouse, their children, their uncles, their aunts,  
20 their grandparent, their nieces, nephews, cousins,  
21 third cousins, and so on. They all seem to have the  
22 same last name. They all seem to have the same zip  
23 code. They all seem to often have relations and so I  
24 think anything we can do to open the confines of the  
25 Constitution would be great. Council Member David

2 Greenfield. Now, had you been here for the beginning  
3 of the hearing and on time, you would have had a  
4 chance to ask questions even before you are ready  
5 like some of your colleagues who were given a chance  
6 to--to ask questions before they were ready.

7 COUNCIL MEMBER GREENFIELD: Sure, the  
8 good news, though, is that I don't need to name check  
9 every reporter in the room as you've already done  
10 that. So thank you, Chair, for making that clear as  
11 to who is actually covering this. I think we ought  
12 to--we could actually ask reporters and good  
13 government groups questions why they weren't up here  
14 on the panels. I learned something new today here as  
15 well. This is a routine we have going on. Just if  
16 you follow the Land Use hearings, I--I bust--

17 CHAIRPERSON KALLOS: [interposing] If we  
18 can--if we can keep your comments--

19 COUNCIL MEMBER GREENFIELD: [interposing]  
20 I bust Chair Kallos' chops so he--

21 CHAIRPERSON KALLOS: --keep the--keep it  
22 to the--keep it to--

23 COUNCIL MEMBER GREENFIELD: [interposing]  
24 --he busts my chops. Yes, exactly.

2 CHAIRPERSON KALLOS: --those, your rank  
3 of office. We have higher level of decorum.

4 COUNCIL MEMBER GREENFIELD: A higher--a  
5 higher standard yes.

6 COUNCIL MEMBER LANDER: It's a little  
7 like the good natured humor of the White House  
8 Correspondents Dinner where they all pretend to laugh  
9 at each other's jokes.

10 COUNCIL MEMBER GREENFIELD: No, no I'm  
11 actually laughing. I'm actually--I'm certainly  
12 laughing. Okay. So, just to be clear, I--you want  
13 to restrict the ability of individuals who happen to  
14 be related to each other to give contributions to  
15 folks.

16 CHAIRPERSON KALLOS: All--all that is on  
17 the agenda with thee eight bills on the agenda.

18 COUNCIL MEMBER GREENFIELD: Okay, no, I  
19 just--I heard that. I just--I was curious as an  
20 attorney how exactly that would work out. You know,  
21 free speech and--and all that, but--

22 CHAIRPERSON KALLOS: As--as you are  
23 filling out your Conflicts of Interest forms before  
24 the May 6th deadline, you are being compelled through  
25 speech to share how your family earns their income.

2 So there is a lot we can do there, and as has been  
3 disclosed lobbying has restrictions around spouses  
4 and family members as well so--

5 COUNCIL MEMBER GREENFIELD: All right,  
6 enough kibitzing for the day. Thank you, Mr.  
7 Chairman. I appreciate your indulgence, and I'm  
8 certainly pleased that somehow your hearings seem to  
9 go longer than any other committee that I sit on.  
10 Intro No. 986, I wanted to chat about that for a  
11 second. So, the--this--I mean this would certainly  
12 solve a lot of the problems in terms of access, in  
13 terms of access to funds. I'm--I'm just curious  
14 right now there seems to be a pretty early deadline  
15 for folks to opt into the system. Now, for Council  
16 candidates for example, that's pretty obvious. Most  
17 Council candidates want to opt into the CFB system,  
18 but in some cases when you have folks who are running  
19 for a citywide office like mayoral candidates, they  
20 don't end up qualifying for the matching funds, and  
21 they sort of get stuck in the system. Is there--is  
22 there a reason why there's an--an early--an early  
23 opt-in? Is there an ability to sort of have it later  
24 in the process or to have folks opt out if they don't  
25 end up qualifying for matching funds?

2           AMY LOPREST: Well there are--I mean two-  
3 -the--the really reasons that the deadline is earlier  
4 as--as early as it is, and it was at one time even  
5 earlier, is to actually make it before. In--  
6 intentionally it falls before the date for  
7 petitioning. So that candidates are deciding whether  
8 or not they want to be participants not based on  
9 what's going to be on the ballot, but based on their  
10 willing--their desire to be in the Public Matching  
11 Funds program. And, also the--the law specifically  
12 does not allow people who opt into the Matching Funds  
13 program to opt out because there's no guarantee when  
14 you join the program that you will receive public  
15 matching funds. So to allow people to opt out at a  
16 late date could be problematic, also be based on  
17 political considerations rather than your compliance  
18 with the law.

19           COUNCIL MEMBER GREENFIELD: Okay. I mean  
20 I'm speaking specifically about the folks for  
21 citywide law--offices because obviously it's a much  
22 more difficult threshold. But I mean do you remember  
23 last time how folks actually ran for citywide  
24 officers who opt in? How many actually ended up  
25 getting the public funds?

2           AMY LOPREST: Well, for citywide offices  
3 there are often large numbers of people who run for  
4 citywide office. I--I think that who--people who  
5 opted into citywide office versus who receive public  
6 funds I'm--I'm not sure. It's probably in our post-  
7 election report. We can look it up as we sit here if  
8 you want.

9           COUNCIL MEMBER GREENFIELD: [interposing]  
10 No. So my recollection is--

11           AMY LOPREST: So I'm just telling you--

12           COUNCIL MEMBER GREENFIELD: --yeah, my  
13 recollection is that a lot of them don't get the  
14 matching funds. So that's--that's it. Yeah.

15           AMY LOPREST: Probably about two or  
16 three--

17           COUNCIL MEMBER GREENFIELD: [interposing]  
18 Yeah.

19           AMY LOPREST: --I think candidates did  
20 not qualify--

21           COUNCIL MEMBER GREENFIELD: [interposing]  
22 Yeah.

23           AMY LOPREST: --who were participants,  
24 and I'm--but I'm not sure. I'd have to look it up.  
25 Do you know.



2           ERIC FRIEDMAN:  And--and I--[laughter]  I  
3 don't have the exact number to quote to you off--off  
4 the top of my head.  There's--there's--there is a  
5 number of candidates during who are--who come in and--  
6 --and--and always qualify.  You know, the quote,  
7 unquote serious candidates.  There--there are going  
8 to be a number of candidates at the bottom who--who  
9 may not take the--the election quite as seriously  
10 and--and don't really make a--a solid effort to  
11 quality.  And--and I think in every election cycle  
12 there are a couple who are kind of in the middle,  
13 people who may have some experience who don't quite  
14 raise the matching claims that are required to  
15 qualify for public funds.

16           COUNCIL MEMBER GREENFIELD:  So the  
17 concern in waiting would be what for those--for those  
18 kinds of handlers?  So the concern of having a later  
19 date, what would--what would that concern be in terms  
20 of gaining something?  Can you just explain that,  
21 please?

22           AMY LOPREST:  It's basically so that  
23 people can make their decisions based on their desire  
24 to be in the Public Matching Funds program.  Also,  
25 most of the disclosure statements happen before the

2 opt in date. You know, there's only--if the opt in  
3 date is the June of the election year, so you--most  
4 citywide candidates have done fundraising well in  
5 advance of that. And if you have not, the--the--the  
6 thresholds are well known and we educate the  
7 candidates about them. So--and they are significant  
8 to demonstrate the amount of money of that's going to  
9 be given to them. It's to show that you're a serious  
10 candidate. That's why all the thresholds exist in  
11 the system.

12 COUNCIL MEMBER GREENFIELD: Got it.  
13 Okay. So if we want to know who's running for Mayor,  
14 we--we look early on at how much money they're  
15 raising?

16 AMY LOPREST: Uh-huh.

17 COUNCIL MEMBER GREENFIELD: Duly noted.

18 AMY LOPREST: [laughs]

19 COUNCIL MEMBER GREENFIELD: Let me ask  
20 this question regarding the Intro 990, regarding the--  
21 the hack registration. So the--just once again,  
22 remind me again why we have separate PAC.  
23 registration in the city and the state? Because I  
24 know a lot of people get--accidentally trip up over  
25 this, right? And I'm sure you see this as well.

2 Folks think they're registered PAC in this state.

3 You know--you know, if folks are intentionally  
4 evading the rules, I want you to slam them obviously.

5 But if it's an accident I--I certainly don't--I don't  
6 want to see that happen. So can you just remind me  
7 why we have separate registrations in the city and  
8 the state in terms of the PACs.

9           AMY LOPREST: Part of the registration  
10 process in the city it requires the PAC to indicate  
11 that they will not be giving contributions for money  
12 that's prohibited. So like corporate contributions  
13 so that in my state because corporate contributions  
14 are allowed in this state. It doesn't have the same  
15 kind of registration requirement.

16           COUNCIL MEMBER GREENFIELD: But I mean  
17 once again just thinking out loud, right. In theory,  
18 you could have that rule and still enforce the rule  
19 without requiring PACs to register, right? I mean  
20 the rule would still exist. The law still exists.  
21 You can't--like because right now if you--if you have  
22 a PAC that has comingled funds or you have funds from  
23 corporations and LLCs and individuals, they can still  
24 register in New York City. They just have to tell

25

2 you that they're separating those funds. Is that  
3 correct?

4 AMY LOPREST: Right. Yes, that's correct.

5 COUNCIL MEMBER GREENFIELD: Okay, so that  
6 rule would still exist I guess is what I'm saying.

7 AMY LOPREST: I mean it's something we  
8 could look into. I mean it's not--I haven't really  
9 spend a lot of time thinking about it, but I mean I  
10 understand that it is sometimes confusing for people.  
11 I do understand that, but the idea of how we would  
12 achieve that commitment that you're not giving  
13 corporate money without the registration I--I think  
14 we could think about that.

15 COUNCIL MEMBER GREENFIELD: I just think  
16 it's something that we see a lot that PACs get  
17 tripped up over this, right, where they think that  
18 they're--they--they're registered in the state, and  
19 they think they can--they can contribute in the city,  
20 but they can't because they actually have to re-  
21 register in the city. And I think they actually have  
22 to re-register every cycle. Am I correct about that  
23 as well or no?

24 AMY LOPREST: Correct, yes, but--

25

2 COUNCIL MEMBER GREENFIELD: [interposing]

3 But what--

4 AMY LOPREST: --we send a notice telling  
5 them.

6 COUNCIL MEMBER GREENFIELD: What--what's  
7 the reason for that? Why can't you just register  
8 once and just, you know?

9 AMY LOPREST: Because the information,  
10 you know, about the owner--the--the board and such  
11 might change over the course of four years. But we  
12 do send notices to all the reg--people who are  
13 registered in the previous cycle--cycle, asking them  
14 if they want to re-register.

15 COUNCIL MEMBER GREENFIELD: God it.

16 Okay, great. Thanks very much.

17 CHAIRPERSON KALLOS: [pause] Thank you.  
18 I just want to in the interest of fairness, I did not  
19 recognize one media source, and I do want to  
20 apologize. David Greenfield has his weekly radio  
21 show on 620 a.m. 7:00 p.m. [laughter] The next  
22 episode will be on May 5th. What is the topic?

23 COUNCIL MEMBER GREENFIELD: I think we're  
24 going to talk about long-winded council hearings  
25 [laughter] in the New York City Council. I'm going

2 to be extending invitations to chairs later this  
3 week.

4 CHAIRPERSON KALLOS: And how long was  
5 your MICQA here?

6 COUNCIL MEMBER GREENFIELD: I think it  
7 was two days actually.

8 CHAIRPERSON KALLOS: There you go. We--

9 COUNCIL MEMBER GREENFIELD: [interposing]  
10 We--

11 CHAIRPERSON KALLOS: --we are--we have  
12 not gotten to two days yet.

13 COUNCIL MEMBER LANDER: It sure seems  
14 like conversations about Pay-to-Play, campaign  
15 finance and corruption sells papers these days. So  
16 maybe you should put that on the air and see if it--

17 COUNCIL MEMBER GREENFIELD: [interposing]  
18 Well, it wasn't--absolutely, we'd--we'd--we'd love to  
19 have it. I'm--I'm--I'm extending an invitation to  
20 both the Chair Kallos and to Chair Lander to come and  
21 talk about corruption on my radio show this week.  
22 We'd love to have you both on the air, and we'd  
23 certainly be happy to have that. So thank you very  
24 much.

2 CHAIRPERSON KALLOS: Thank you. Does  
3 anyone else have any other questions?

4 ERIC FRIEDMAN: So I--I--I have one piece  
5 of information for you, Chair Kallos, that you asked  
6 about. So in 2013, intermediaries who were doing  
7 business with the city were responsible for bundling  
8 \$2.75 million out of a total of about \$11 million  
9 overall. Just so--just so you have those figures.

10 COUNCIL MEMBER LANDER: But--but can you  
11 guys repeat that again?

12 ERIC FRIEDMAN: So--so--so in the 2013  
13 election \$11 million total reported as bundled to all  
14 campaigns. Of that \$11 million, \$2.75 came from  
15 bundlers who were doing business with the City.

16 COUNCIL MEMBER LANDER: Just for the--I'm  
17 sorry, Mr. Chairman. Just for the magnitude, what--  
18 what were the total contributions like so we can know  
19 how much was bundled?

20 AMY LOPREST: So I'm looking at these.  
21 Well, you know, I'm trying--

22 ERIC FRIEDMAN: [interposing] It's so  
23 hard.

24 AMY LOPREST: --to see where.

2 COUNCIL MEMBER LANDER: I'm sorry. I'm  
3 just trying to understand the order of the magnitude.

4 AMY LOPREST: [interposing] So it is--

5 COUNCIL MEMBER LANDER: \$2.5 million out  
6 of \$11 million is a whole lot, but it does sound--

7 ERIC FRIEDMAN: This is millions.

8 COUNCIL MEMBER LANDER: --like a much,  
9 much larger--

10 ERIC FRIEDMAN: Yeah, it may--it is--it  
11 is a--in the tens of millions. I'm--I'm not going to  
12 hazard to guess off the top of my had. I'm happy to  
13 share it as soon as I can share it.

14 AMY LOPREST: Yes, and it wasn't big  
15 (sic). It's a much smaller number than the total  
16 amount of contributions in the 2013 election.

17 COUNCIL MEMBER LANDER: So in the 20  
18 percents of the bundled contributions, but probably  
19 in the single digits of total contributions?

20 AMY LOPREST: Yes.

21 COUNCIL MEMBER LANDER: Bundled Doing  
22 Business. All right.

23 AMY LOPREST: Yes.

24 COUNCIL MEMBER LANDER: We can get these  
25 numbers afterwards obviously.



2 AMY LOPREST: Well, it's--I mean I know  
3 that number. It's 2%--2% of the contributions came  
4 to people who were doing business with the city. I  
5 know it's that number, what the total amount of  
6 contributions were and here we see it with this.  
7 [pause] That involves map--

8 ERIC FRIEDMAN: Either between \$50 and  
9 \$60 million.

10 AMY LOPREST: It's involves--it involves  
11 math. [laughs]

12 ERIC FRIEDMAN: Let's say that.

13 COUNCIL MEMBER LANDER: \$50 and \$60  
14 million total contributed. \$11 million of that  
15 bundled, \$2-1/2 million of that bundled by folks  
16 doing business?

17 AMY LOPREST: Yes.

18 COUNCIL MEMBER LANDER: Okay. So fiveish  
19 percent of total contributions. Thank you.

20 CHAIRPERSON KALLOS: Back to David for a  
21 quick follow-up, if he promises to be nice.

22 COUNCIL MEMBER GREENFIELD: I--I  
23 certainly do, and I--I actually have noted before,  
24 and I think it's worth mentioning as well that one of  
25 the great things about this Council as opposed to

2 other jurisdictions. I'm not going to name names is  
3 that we actually have a good government advocate is  
4 actually now chairing our committee here that does  
5 oversight on government operations. So that's--  
6 that's certainly a huge achievement over here, and so  
7 we appreciate the work that you do, Chair Kallos. So  
8 I just have one final question as we're talking about  
9 the doing business. I actually have opted since I've  
10 run for office not to accept any contributions from  
11 folks who do business with the city. Why isn't that  
12 the rule? I mean, you know, a hundred bucks, three  
13 hundred bucks, four hundred bucks? Why are we  
14 looking to give anything, right? The--the--the  
15 general concept is that if you're doing business with  
16 the city there is some sort of inherent conflict, and  
17 it certainly adds up to a significant amount of  
18 money.

19 AMY LOPREST: Uh-huh, but I think the--  
20 the State of Connecticut tried to do that, and they--  
21 that was determined to be unconstitutional.

22 COUNCIL MEMBER GREENFIELD: Okay, there  
23 you go. You see, both me and Chair Kallos are both  
24 frustrated by constitutional regulations. Thank you  
25 very much, Mr. Chairman.

2 CHAIRPERSON KALLOS: Uh--

3 AMY LOPREST: [interposing] I'm sorry.

4 [laughs

5 CHAIRPERSON KALLOS: For the record, the  
6 Gotham Gazette article is ballot bumping. That was  
7 the terms of the article that they coined.

8 AMY LOPREST: [interposing] Okay, yeah.

9 CHAIRPERSON KALLOS: With regard to--

10 COUNCIL MEMBER GREENFIELD: [interposing]  
11 Are you going to hashtag that here on your Twitter  
12 account, and did we get your Twitter account on--on  
13 it for the record yet or no?

14 CHAIRPERSON KALLOS: Is it on my Twitter  
15 account, or is that yours?

16 COUNCIL MEMBER GREENFIELD: At--at Ben  
17 Kallos?

18 CHAIRPERSON KALLOS: It's at Ben Kallos  
19 and what is--yours I was just looking at it.

20 COUNCIL MEMBER GREENFIELD: Oh, you--you  
21 knew mine, but I knew yours by heart for the record.

22 CHAIRPERSON KALLOS: It's at  
23 nycgreenfield and it is not spelled the regular way.  
24 It is spelled green as in the color.

25

2 COUNCIL MEMBER GREENFIELD: And that's  
3 how I spell my name, Greenfield. [laughter]

4 CHAIRPERSON KALLOS: Sir, sir, sir, no.

5 COUNCIL MEMBER GREENFIELD: The reporters  
6 are never coming back, by the way just so you know  
7 [laughter] because this is end. This is--this is the  
8 apex of having reporters at your hearings. I hope  
9 you enjoy a wild loss. Thank you, Mr. Chairman.

10 CHAIRPERSON KALLOS: Thank you. In--  
11 [pause] Sure. In terms of the Voter Guide, which is  
12 one of the bills that was one of the less  
13 controversial bills that we have here today,  
14 Introduction 988, how does it cost to produce the  
15 Voter Guide? How much do you anticipate saving if  
16 you have opt out option? And would this opt out  
17 option also be helpful in terms of other legislation  
18 we're considering such as printing in multiple  
19 languages?

20 AMY LOPREST: Well, I don't have an exact  
21 number for the opt--how much we would save with the  
22 opt out because it's hard to know how many people  
23 would decide to opt out. The Voter Guide--I--I  
24 usually have this number. I think it's about--it

2 cost about \$8 million to produce the Voter Guide a  
3 year. It--for in the citywide election year.

4 CHAIRPERSON KALLOS: Okay, and I think  
5 that's all the questions we've got. David, last  
6 chance.

7 COUNCIL MEMBER GREENFIELD: I--I--I  
8 really appreciate the work that the CFB does, and I--  
9 I do think it's worth mentioning that--that, you  
10 know, we take a lot of hits here in the city of New  
11 York and there certainly has been a lot of coverage  
12 and scrutiny, but we do--and we are proud and we are  
13 firm that we have the best matching funds, campaign  
14 finance system in the world. And in large part that's  
15 through the professional staff at the Campaign  
16 Finance Board, and we want to thank you for the work  
17 that you do, and we're very grateful for that. So  
18 thank you very much.

19 AMY LOPREST: Thank you very much.

20 CHAIRPERSON KALLOS: Thank you. You're  
21 excused. Our next panel is Gene Russianoff from  
22 NYPIRG, Dick Davey from Citizens Union; Prudence Katz  
23 from Common Cause; Dominic Mauro from Reinvent  
24 Albany, and Rosemary Shields from League of Women  
25 Voters. And this is all the cards we've got. This

2 is our good government panel. We thank everyone for  
3 their patience, and if anyone would like to appear  
4 before the Council in an official where they can  
5 receive questions from council members and even the  
6 public, who may submit it, now is the time.

7 Specifically, if you are a lobbyist whose paid by  
8 special interest to represent yourself before the  
9 city or state, going once, twice, three times.

10 [siren] If our distinguished of good government  
11 advocates and admittedly good government lobbyists  
12 could give testimony about why these lobbyists might  
13 support limitations on bundles that they might engage  
14 in.

15 COUNCIL MEMBER GREENFIELD: Have any of  
16 them ever bundled the cash? Can we ask them that  
17 question?

18 CHAIRPERSON KALLOS: You can ask them  
19 whatever you want.

20 COUNCIL MEMBER GREENFIELD: Oh, okay.  
21 I'm just curious.

22 [background comments]

23 CHAIRPERSON KALLOS: Whoever would like  
24 to go first, please decide amongst yourselves?

2 DICK DADEY: I think we ought to have the  
3 Dean of the Delegation go, Gene Russianoff. It would  
4 be my vote anyway.

5 GENE RUSSIANOFF: Well, that's very nice  
6 and you're lucky I'll be very brief. I'm Gene  
7 Russianoff with the New York Public Interest Research  
8 Group, and we thank the Chairman for his leadership  
9 for these many campaign finance and good government  
10 reform and his great staff. And it was great that  
11 Henry Berger came today, and expressed that the  
12 Administration's support for these reforms. I--I--I  
13 just basically have two points to make. One has been  
14 made many times before, but I'll make it briefly.  
15 Which is this is--we're--we're part of a process that  
16 began over 25 years ago of making the City's Campaign  
17 Finance Law the best in the nation. It's been  
18 amended many times over requiring the dates,  
19 requiring disclosure. People didn't participant--  
20 didn't participate. When we had a Mayor who said he  
21 didn't want to participate because he didn't want to  
22 take public funds, you changed the law so that he  
23 could do that if he wanted to, and he still didn't  
24 want to, and a six to one match. And we look at this  
25 and--and it's--it's no mystery why this law has been

2 so successful. And then on the legislation before  
3 you, clearly the most important piece of legislation  
4 is Intro 985. It gets at what has been a real  
5 loophole and a problem in the law. I was around 10  
6 years ago when the Council debated this. I think  
7 this decision was ten years old. They made a mistake  
8 in--in 2006, and did not adopt this provision, and  
9 your question, Chairman Kallos, what will the--the  
10 figures be for--for bundlers and for what I would  
11 call influence peddlers, people who work for large  
12 businesses, who gather money for those businesses.  
13 Anyway, you know, even if they were--you--you can  
14 drive through where--where are now, but for the next  
15 election cycle, the one we're in, it's going to be  
16 bigger, substantially bigger. The fundraisers, they  
17 learn their lessons, you know, campaign money is like  
18 water, and it finds ways to get around, and you've  
19 got to constantly be vigilant making sure that you  
20 figure--figure out what the possible loopholes are.  
21 I would be astonished if this Council were not to  
22 vote this piece of legislation in. It has been time  
23 of people's, you know, cynicism and despair by  
24 government, and the only ones who would benefit from  
25 this law not passing are those special interests,



2 whether related was mentioned. There are host of  
3 former city employees or city commissioners who are  
4 bundlers, and who, you know-- And I think they every  
5 right to go out and solicit money from the public.  
6 They just don't have the right to use our public tax  
7 dollars to amplify their voice. We have nothing  
8 against them expressing their views but, you know,  
9 take your hands out of my pocket, and--and that's  
10 where we are, and I think the civic communities are  
11 united on this point. So I kept to my brief time.

12 CHAIRPERSON KALLOS: Thank you.

13 DICK DADEY: Is it still on? You just  
14 press on there.

15 PRUDENCE KATZ: Okay. Thank for the  
16 opportunity to speak today. My name is Prudence  
17 Katz. I'm the Research and Policy Manager for Common  
18 Cause New York. We're a non-partisan, non-profit  
19 organization founded to serve as a vehicle for  
20 citizens to make their voice heard in the political  
21 process. [background noise] Accordingly, ensuring  
22 that our elections are accessible, well administered  
23 and fair is part of our core mission to promote civic  
24 engagement and accountability in government. Over  
25 the past few weeks, a study by John Beat (sic) of

2 rumors, leaks, investigations and accusations have  
3 swirled around the handling of New York State  
4 campaigns and party committees. I bring this up in  
5 today's testimony because I want to first  
6 congratulate New York City and the New York City  
7 Campaign Finance Board on how far we have come in the  
8 administration of accessible and clean local  
9 elections. But, as we have heard today, there is  
10 still room for improvement, and the bills before the  
11 Council all go towards--all go towards plugging in  
12 the numerous holes that still exist. Common Cause  
13 New York is in favor of all the bills and resolutions  
14 that are shared before today's hearing. But I want  
15 to take the time to focus on three that will go a  
16 long way towards eliminating the potential of or the  
17 appearance of corruption. Intro 988, Intro 985-A,  
18 Intro 990 and Intro 1001. As we've heard a lot  
19 before, Intro 985-A will eliminate the possibility of  
20 matching public funds, any contribution to a  
21 candidate for a local New York City office that is  
22 bundled by a lobbyist or a person who has or may have  
23 business dealings with the City. This robust  
24 regulation of--of--that already exists for  
25 eliminating matching funds in terms of people who

2 just directly give money has had a large impact. In  
3 2001, Doing Business individuals made up 25.2% of the  
4 total contributions with a figure of almost \$12  
5 million, and then fast forward to the 2013 election  
6 and the numbers are dramatically lower. Only 2% or  
7 around \$1.3 million out of the total contributions  
8 came from people doing business with the City. But  
9 there is still a huge exploitable hole that needs to  
10 be plugged by Intro 985. Specifically, we have heard  
11 there are no restrictions in intermediaries or  
12 bundlers who do business with the city, Jay Kriegel,  
13 the lobbyist for related companies, is a classic  
14 example of exactly how this loophole works. Passing  
15 Intro 985 will tight--tighten this obviously gushing  
16 spigot of public money into local candidates. In  
17 that same vain, Common Cause New York urges the  
18 passing of Intro 1001, a bill that obviously en--  
19 enhances the strength of the data--the business  
20 database by adding the names of any businesses or  
21 organizations that have at least 10% ownership stake  
22 in an entity that does business with the city. At  
23 the moment, we only have the names of individuals  
24 that have a 10% ownership stake. Finally, passing  
25 Intro 990 would prohibit all candidates, even those

2 who are not registered with the City's Public  
3 Matching Fund program from receiving funds from  
4 political committees not registered with the New York  
5 City's Campaign Finance Board.

6           New York City's Campaign Finance system  
7 is seen as an example for municipalities across the  
8 country and within our own state. Let's both stamp  
9 out the possibilities of Pay to--Pay-to-Play and  
10 strengthen the voice of the everyday people of New  
11 York City by passing Intro 985, Intro 1001 and Intro  
12 990. Thank you.

13           DOMINIC MAURO: Good afternoon. My name  
14 is Dominic Mauro, Staff Attorney for Reinvent Albany.  
15 My organization normally keeps an eye on Albany, and  
16 does not testify in New York City ethics and anti-  
17 corruption issues, but this is no ordinary moment.  
18 We support all of the bills being considered today in  
19 particular 985-A, a bill addressing bundling by  
20 people doing business with the City. However, along  
21 with urging you to pass all of these bills, we also  
22 urge Council to consider much larger reforms. We are  
23 testifying because watch dog groups like ours have  
24 long considered New York City government much cleaner  
25 than New York State's. Unfortunately, the new

2 scandals embroiling the Mayor suggest it may be  
3 possible for an elected official to circumvent the  
4 city's anti-corruption systems, and essentially take  
5 money in exchange for political favors without  
6 breaking the law. We believe New York City's  
7 Campaign Finance system is being profoundly  
8 undermined by lax enforcement of lobbying  
9 regulations, and by the use of non-profit groups  
10 controlled by the city or its elected officials as  
11 destinations for contributions from wealthy interests  
12 seeking political favors. Accordingly, we would like  
13 the Council and the Committee on Government  
14 Operations to confer with the Mayor's Office and the  
15 Campaign Finance Board about major reforms that would  
16 address these issues. We have two suggestions.  
17 First, the Mayor, Comptroller, Public Advocate,  
18 Council and agency heads should not be able to  
19 solicit contributions for non-profit groups that they  
20 effectively control. Until this non-profit back door  
21 is closed, City officials, especially the Mayor, will  
22 have a huge incentive to use non-profits to evade the  
23 limits that keep elected officials from soliciting  
24 huge contributions. Second, lobbying rules have to  
25 be strengthened, and lobbying enforcement transferred

2 from the City Clerk to the Campaign Finance Board.  
3 It simply does not work to have lobbying rules  
4 enforced by the City Clerk who is a political  
5 appointee of the City Council. A strong lobbying  
6 enforcer could step in to preempt problematic  
7 conflicts such as firms working for both the Mayor  
8 and the for clients who want favors from him. Thank  
9 you for your time and for the opportunity to testify.

10 [background noise]

11 ROSEMARY SHIELDS: Good afternoon. I'm  
12 Rosemary Shields with the League of Women Voters of  
13 the city of New York and thank--I want to thank the  
14 Committee for having us here today, and basically I  
15 want to say ditto what has been by Mr. Russianoff and  
16 Common--Common Cause or Common Cause of New York.  
17 You have my testimony. I don't necessarily have to  
18 read it, because into Intro 985-A, Intro 1001, Intro  
19 990 we're all for it. I was very happy, very  
20 encouraged by Assembly Member Kavanagh coming in  
21 because with the League of Women Voters wants to take  
22 every opportunity that we can to remind the Council  
23 about instant runoff voting. We want you to be very  
24 committed with Irv (sp?). We want you to use his  
25 first, but we are asking especially with all the

2 intricacies and kind--of Intro 987 we're just going  
3 to keep pushing for Irv, and hope that the--the  
4 Council continues with that, and we're all for the  
5 flexibility of the--the Voter Guide. And I also just  
6 want to point out that the League of Women Voters of  
7 New York State gave me the memorandum in support of  
8 Assembly Member Kavanagh's 5972 and we want to thank  
9 Chairman Kallos for putting through this Resolution.  
10 We support that. Thank you very much.

11 CHAIRPERSON KALLOS: Just if--unlike my--  
12 my colleagues Council Member Greenfield this is  
13 actually one of our shorter hearings. Anyone who  
14 wants to read their full testimony, please feel--do  
15 not feel rushed by David. You waited 2-1/2 hours  
16 here. He was in the office watching the live stream.  
17 There's no complaints. So anyone, please don't feel  
18 rushed. There--there is no rush. We have all the  
19 time in the world, and your voice is important.

20 How much time, friend? [laughter] We'll  
21 beat it.

22 CHAIRPERSON KALLOS: As much as you like.

23 COUNCIL MEMBER GREENFIELD: This room is  
24 reserved until midnight so--

2 DICK DADEY: Thank you very much.

3 [laughter]

4 COUNCIL MEMBER GREENFIELD: We'd like for  
5 you to, if you can--if you can go for another seven  
6 hours and 33 minutes, the chair--

7 DICK DADEY: Is that a call for a  
8 filibuster, then?

9 COUNCIL MEMBER GREENFIELD: --the chair  
10 would be very grateful for that.

11 CHAIRPERSON KALLOS: I'm--I'm not sure if  
12 you saw in the Passover Haggadah--

13 COUNCIL MEMBER GREENFIELD: [interposing]  
14 And the chair's staff would be really thrilled as  
15 well [laughter] because he's curious about the  
16 turnover rate in Council Member Kallos' office.

17 CHAIRPERSON KALLOS: That's what has  
18 been some of the--knock on wood--the lowest turnover  
19 in the Council. Paul has been with me since 2013.

20 COUNCIL MEMBER GREENFIELD: Well, nice.

21 DICK DADEY: [interposing] If I could--

22 CHAIRPERSON KALLOS: [interposing] But if  
23 you--if you saw on the Passover Haggadah--Haggadah--

24 COUNCIL MEMBER GREENFIELD: [interposing]

25 Can we vote on--



2 CHAIRPERSON KALLOS: --important things  
3 happen.

4 COUNCIL MEMBER GREENFIELD: --can--can we  
5 let our Good Government Group testify?

6 FEMALE SPEAKER: We're going to do it.

7 COUNCIL MEMBER GREENFIELD: [laughter]  
8 Yes, please.

9 DICK DADEY: My name is Dick Dadey. I'm  
10 the Executive Director of Citizens Union, and I thank  
11 the two remaining members of the City Council to--who  
12 are seated before us to listen to our testimony. I  
13 do have to say that it's always a great concern to us  
14 that our opinions though wide--widely solicited are  
15 not necessarily heard by the members of--the members  
16 of the Council who participate the beginnings of  
17 these hearings, and that to us, at least at Citizens  
18 Union is a little distressing when we see a number of  
19 council members get up and leave when it's time for  
20 us to come forward with our ideas. Because we are  
21 the--I think the keeper of the public interest in a  
22 way that others are not, and I join my colleagues  
23 here today in supporting all matters before you  
24 today. You have our written testimony from Citizens  
25 Union in front of you. I want to thank the Chair for

2 convening this hearing, and thank you Assembly  
3 Member--City Council Member Greenfield for being here  
4 as well. These are strange times in our city and  
5 state when it comes to the effect of money on our  
6 politics and on our democracy. All of these bills  
7 get at it in some way. It helps to strengthen this  
8 system that my colleague Gene Russianoff spoke about,  
9 and who is instrumental in creating over 25 years  
10 ago. I've been pleased to be a part of the efforts  
11 over the last 12 years to improve this system, and is  
12 the case every four years we have an opportunity to  
13 strengthen the system and make it even better, and  
14 these bill do that.

15 I do want to point out the very intense  
16 need for the Council to not only consider Intro 985,  
17 but to pass 985. It is--it is the heaviest lift of  
18 all these bills, but it should be the number--but it  
19 also should be the number one priority of this  
20 Council. New Yorkers I think are--are getting to a  
21 point of utter disgust with the way in which our  
22 democracy is practiced and our government is run.  
23 The influence of money in our political system is  
24 obscene, and this bill 985 would get at in--in any--  
25 in--in a much more significant way than in any of

2 these other bills the influence of money in our  
3 system. I was with Gene Russianoff ten years ago  
4 when we advocated for this bill initially, and we  
5 were pleased to see that those who have business  
6 before the City had their contributions limited to a  
7 particular level, far less than what other  
8 individuals in this--in the city would be allowed to  
9 contribute. But we knew at that time that the power  
10 to influence public policy meaning from those who  
11 could give to those who could raise, and this bill  
12 her attempts to--and it would get at this--at this  
13 issue of limiting the influence of those who raise  
14 money on behalf of these candidates. It's a  
15 commonsensical much needed piece of legislation, even  
16 more so given the rising scandals, the growing crime  
17 wave of corruption and we see in Albany that now it  
18 seems to have reached out into New York City. Many  
19 of these allegations remain just charges, but they  
20 have not--they have not yet been fully investigated,  
21 and handled by our legal system. But we cannot walk  
22 away from the fact that what--leaving the legal (sic)  
23 is also unethical. Huge amounts of money were raised  
24 by the Mayor's political team, which influenced the  
25 outcome of elections, and while this bill itself does

2 not directly with that issue, I think it would be  
3 incumbent upon the City Council to rise to this  
4 moment and take on this challenge, and really push  
5 through the most meaningful piece of legislation that  
6 could improve our--our City's Campaign Finance  
7 Program, Intro 985. We need to take--we need to  
8 continue to take money out of the system, and the  
9 City Council has done that for 25 years now. This is  
10 an opportunity for you to take, you know, help  
11 complete the job by passing 985. All these others  
12 are very important, this--but this is the most  
13 important, and I would very much hope that the  
14 Council would do that with, you know, very strong--  
15 with a very strong vote. We just turned around the  
16 things, and I saw on the live stream about online  
17 voter registration. It was cutting in and out so I  
18 didn't get the entire discussion on it, but you know  
19 about the--

20 COUNCIL MEMBER GREENFIELD: [interposing]  
21 Fortunately, I wasn't the only one who had trouble  
22 with the live stream. I'm glad--glad to know that.

23 DICK DADEY: The--but the Attorney  
24 General from the State of New York, Eric--Eric Simon  
25 last week released an advisory opinion prompted in

2 part by Citizens Union's inquiry a couple years ago  
3 making online voter registration now possible. He  
4 ruled that digital signatures would be acceptable for  
5 the purposes of voter registration making on--making  
6 the practice of online voter registration possible.  
7 It's an advisory opinion, and what is needed now is a  
8 software application that will make it happen. I  
9 mean there is still a requirement that you have to  
10 print off and deliver or mail the applications. But  
11 for the voter, if they choose to just to a, you know,  
12 go online on their computer and complete the  
13 application and have someone else handle it for them  
14 as an intermediary. Not confuse intermediary with--  
15 with the kind of intermediary we're talking about  
16 today, but this is a significant step forward. It is  
17 really and I think we should, you know, capitalize on  
18 it and try and move legislation forward that ensures  
19 that Vote New Yorkers can now actually practice this  
20 issue of online voter registration. So I just wanted  
21 to add that to my organized comments here today.

22 CHAIRPERSON KALLOS: Thank you very much  
23 for your patience, for being here today, and for  
24 having near perfect attendance at my hearings. I  
25 think your attendance for Citizens Union rivals--is

2 actually better than most of the members of my  
3 committee. So thank you.

4 DICK DADEY: I'm glad you pointed that  
5 out and not us. [laughter]

6 CHAIRPERSON KALLOS: Yeah, I--I think  
7 you're--the--the--the--your--your sister paper Gotham  
8 Gazette did in-depth coverage on attendance rates at  
9 hearings. So I guess one thing is that--and this was  
10 self-identified by folks who could not see our  
11 camera, but how--please identify whether or not you  
12 are a registered lobbyist on this panel. If--if you  
13 can identify for the record.

14 DICK DADEY: This is--Dick Dadey,  
15 Executive Director of Citizens Union. It is a  
16 registered lobbyist. It has been a registered  
17 lobbyist since 1991.

18 CHAIRPERSON KALLOS: Next.

19 GENE RUSSIANOFF: Gene Russianoff, a  
20 registered lobbyist for the New York Public Interest  
21 Research Group. I believe circa 1981 or '82.

22 CHAIRPERSON KALLOS: Thank you. Anyone  
23 else registered? The League of Women Voters should  
24 be a volunteer. So that doesn't qualify for the

2 lobbying because she is not compensated for her time.

3 In fact, correct, you're not compensated?

4 ROSEMARY SHIELDS: Correct.

5 CHAIRPERSON KALLOS: Okay.

6 DOMINIC MAURO: Dominic Mauro, Reinvent  
7 Albany, registered lobbyist.

8 PRUDENCE KATZ: Prudence Katz, Common  
9 Cause New York registered lobbyist since 2015.

10 CHAIRPERSON KALLOS: And all four of you  
11 as registered lobbyists support not having the bundle  
12 that you put together matched?

13 GENE RUSSIANOFF: [off mic] We will  
14 figure that out. (sic)

15 FEMALE SPEAKER: Yeah, we are.

16 CHAIRPERSON KALLOS: And--and--and you  
17 have how many?

18 COUNCIL MEMBER GREENFIELD: [interposing]  
19 How many of them are bundled money? [laughs]

20 CHAIRPERSON KALLOS: Huh?

21 COUNCIL MEMBER GREENFIELD: How many of  
22 them are bundled money?

23 CHAIRPERSON KALLOS: Feel free to ask  
24 that question.

2 DICK DADEY: I--I mean I didn't know that  
3 my colleagues even stood the chance of actually  
4 raising money for--the City Council hearings, but we  
5 don't.

6 GENE RUSSIANOFF: Well, we're non-  
7 partisan. We--we--that's what I mean.

8 CHAIRPERSON KALLOS: So, so--but for--for  
9 the record we do have a group of lobbyists here who  
10 do support a--a restriction and--

11 COUNCIL MEMBER GREENFIELD: [interposing]  
12 Yes, which also proves the point that not all  
13 lobbyists are bad people. There are good lobbyists.

14 CHAIRPERSON KALLOS: And they're also--  
15 many--many of them are sitting here.

16 DICK DADEY: I have not heard any  
17 lobbyists already in a really nice way speak up  
18 against this.

19 GENE RUSSIANOFF: Well, but I'm pretty  
20 familiar with lobbyists who have talked to members,  
21 and I hoped that they would raise this as an issues  
22 during the space--

23 CHAIRPERSON KALLOS: [interposing] Can  
24 you speak into the microphone, please? Sorry.



2 GENE RUSSIANOFF: I have talked to  
3 lobbyists who have been talking to council members,  
4 not publicly, not on the record, but no desire to be  
5 anywhere near this issue publicly, but they've been  
6 weighing in. You know, I've talked to some somewhat.

7 CHAIRPERSON KALLOS: And in--in terms of  
8 the impact, I read some numbers earlier, but do you  
9 think it will have a--a huge impact? So I think the--  
10 -I think the example that was brought up I believe  
11 that was Common Cause--which one of you mentioned Jay  
12 Kriegel?

13 PRUDENCE KATZ: [interposing] I named the  
14 name.

15 CHAIRPERSON KALLOS: On a com--comment?

16 PRUDENCE KATZ: I mentioned Jay Kriegel,  
17 but he has been mentioned a lot so I--

18 CHAIRPERSON KALLOS: Fair enough. So Jay  
19 Kriegel he gave 111--he bundled \$111,045, and he only  
20 claimed \$350,075. He got \$21,450 and claimed matching  
21 funds for his candidate for a total of \$132,000. So  
22 that's only a 16% public match. Is that getting--and  
23 that's just because all these dollars are big, 49, 50  
24 checks. These are not small dollar contributions.  
25 Do you think that this will have a huge impact?

2           DICK DADEY: It's--it's not just, you  
3 know, the amount. It's really the principle behind  
4 it. That lobbyists--registered lobbyists who are  
5 seeking to influence the out--the decisions of our  
6 city government on usually our taxpayer dollars to  
7 amplify their influence. That is--that is the  
8 guiding principle that Citizens Union and I think  
9 others may stand behind. Regardless of the amount of  
10 money that is--that goes to match some of these  
11 contributions, it's not the amount. It's the--it's  
12 the mere principle. We do not support, you know,  
13 limiting anyone's rightful rights to participate, but  
14 we also--we oppose their ability to use our taxpayer  
15 dollars to amplify their message. That's the real  
16 problem.

17           GENE RUSSIANOFF: If--if I could add, if--  
18 -if you want to be a successful influenced peddler in  
19 that field, to peddle something, and the--the amounts  
20 of money are--are--are going to get bigger in the  
21 selection cycle, and it's--they're getting an  
22 advantage here that the ordinary New York City  
23 residents is not dead (sic) and whose in part paying  
24 for it, and--and lastly I'd say the hallmark of the  
25 Campaign Finance Board is that they are very

2 cognizant about the fact that they're using public  
3 tax dollars, and they've gone out of their way to  
4 spend it as appropriately, as fairly, as legally as  
5 they can. And so, it's not good when someone comes  
6 around and spreads their money around.

7 CHAIRPERSON KALLOS: And the terms of  
8 this some have criticized that this will just force  
9 things underground. Is there a value to lobbyists or  
10 people doing business to be able to say look I'm an  
11 intermediary. I raised--in the case of a lobbying  
12 firm like Michael Woloz where he raised \$272,465--  
13 \$272,465 with that \$49,350 bundled in from public  
14 matching, is there a certain reason they would want  
15 to be reported as an intermediary? Is there a  
16 likelihood that next cycle we just won't see this  
17 person's name or another similar persons' name in  
18 because we're driven it underground even though  
19 everyone knows with a wink and a nod that that person  
20 raised that money for the person?

21 GENE RUSSIANOFF: Clearly, the  
22 individuals who do this it's part of their jobs.  
23 It's--it's--it's--they--they reach out to customers,  
24 to connections and they are able to say I--I have  
25 30,000 bucks I could give you. I have 50,000 bucks I

2 could give you. And to the candidates that, you  
3 know, it means a lot. So--so I--you know, it's a--  
4 you know there's a--you know, overwhelming system.  
5 You can't argue that, but does it create a bad taste  
6 in the mouth of the--of elected official with  
7 candidates and people concerned about government?  
8 It--it certainly doesn't help encourage them to  
9 believe that their government makes decisions  
10 entirely upon the merits.

11 CHAIRPERSON KALLOS: And--and forgive  
12 the--the question, and my seeking into your  
13 testimony, but as--as a lobbyist, the--what is your  
14 threshold? How much can you give to a City Council  
15 member?

16 GENE RUSSIANOFF: Well, again, we're  
17 nonpartisan. So I would--

18 CHAIRPERSON KALLOS: [interposing] A--a--  
19 a lobbyist is restricted to \$250, but you just said  
20 that lobbyists are saying that they can give 30 or  
21 50,000 bucks.

22 GENE RUSSIANOFF: They all tend to do--

23 CHAIRPERSON KALLOS: [interposing] If you  
24 can help me understand how somebody who is limited to  
25 \$250 can go to a candidate and say I can give

2 \$50,000, and the corrupting influence that might  
3 have. That's something that I think is worth  
4 entering into the record.

5 GENE RUSSIANOFF: The--the math is--is  
6 pretty clear. You--the--they City Council and the  
7 Mayor voted to limit the contributions from people  
8 who do--do business with the City to \$450 in citywide  
9 races. That was a determination you made about the--  
10 the--the--the good effect of limiting them to a--a  
11 relatively modest amount. It wasn't so long that it  
12 raised constitutional concerns, but it was--it was a  
13 meaningful limit. Now the same person can go out,  
14 and they talk to a whole bunch of people in the city,  
15 raise contributions and deliver them to the  
16 candidate, and they basically get credit for it. So,  
17 and individual who was limited to \$450 is now giving--  
18 --you--you listed some of the numbers, \$100,000,  
19 substantial sums of money that used to be seen during  
20 the hay day of the 1980s when you'd have people  
21 giving this size contribution. So it comes from  
22 different sources. They have to work to get it, but  
23 it usually rewarded with public matchability, and out  
24 of the ones that are further in just no allow anyone  
25 in the city to bundle contributions above what

2 they're limited to in the law in terms of--of giving  
3 contributions.

4 CHAIRPERSON KALLOS: And I guess I'm  
5 hoping that your organizations might be willing to  
6 assist with legal research supporting why that might  
7 be constitutional.

8 GENE RUSSIANOFF: Yes. As someone who  
9 really knows this law. [laughter]

10 DICK DADEY: Maybe a consequence of this  
11 proposed if--if enacted into law that some of these  
12 bundled--bundled contributions may be driven  
13 underground, but that's not a reason not to do it,  
14 and-- Because the--the reason to do it is to ensure  
15 that influence peddling is lessened, and that if it  
16 is done to evade the law, then I'm sure that the  
17 Campaign Finance Board in its rigorous enforcement of  
18 the law will pay close attention to those who try to  
19 do that. I also want to add when you asked about  
20 political contributions, I mean Citizens Union is  
21 nonpartisan organization, but we also conduct  
22 evaluations of the candidates, and offer our support  
23 either in the primary or the general election through  
24 our evaluation process by giving a preferred or  
25 endorsed status to those candidates. And that--the

2 State Board of Election has ruled that we needed to  
3 register as a political committee, which we have done  
4 over the what, the past couple of years. And there  
5 is a value going on that is assigned to those  
6 candidates that we support based on the cost and the  
7 printing and the distribution of our voters today.

8 CHAIRPERSON KALLOS: I--my--my last  
9 question on this round is just what is that value,  
10 and I'd like to turn it over to David Greenfield for  
11 his questions. Do--do you how much the nominal value  
12 is for the preferred?

13 DICK DADEY: Depending--it is varied from  
14 year to year depending upon the number of candidates  
15 we support versus the cost of the Voters Directory,  
16 and the number that we print.

17 CHAIRPERSON KALLOS: Thank you.

18 DICK DADEY: It's just--it's--it's like  
19 \$100 or do per candidate.

20 CHAIRPERSON KALLOS: Thank you.

21 COUNCIL MEMBER GREENFIELD: Thank you,  
22 Mr. Chairman. Unlike the Chairman, I did not clear  
23 my entire calendar today. So I have to run, but I  
24 did want to stay for your testimony because it is  
25 important. I wanted to thank you for your testimony.

2 We just want to note for the record because I think  
3 it's important is that, you know, when we're naming  
4 names of the lobbyists and bundlers just for folks  
5 watching at home, everything that they're doing is,  
6 in fact, legal. We are just saying that we can do  
7 better, and I agree and, therefore, I'm asking that  
8 you add my name to Intro No. 985-A, and I do  
9 [applause]-- See, this is why I come to the Gov Ops  
10 hearings [laughter] because people--people come to me  
11 and they say why in the world would you volunteer to  
12 sit on Ben Kallos' committee? [laughter] And I say  
13 it's true. There's only four of us, but--but--

14 CHAIRPERSON KALLOS: [interposing] We--  
15 we got new members who want to be--

16 COUNCIL MEMBER GREENFIELD: [interposing]  
17 You got new members?

18 CHAIRPERSON KALLOS: --part of the  
19 committee.

20 COUNCIL MEMBER GREENFIELD: Oh, Kallos,  
21 you should have sent to me. I would have set them  
22 straight. But the answer is you get applause, which  
23 you don't get in any other committee. Usually they  
24 get booed, especially in the Land Use world, but we  
25 won't go there.



2 CHAIRPERSON KALLOS: Yes.

3 COUNCIL MEMBER GREENFIELD: Seriously,  
4 [laughter] I want to thank you all for the work that  
5 you--

6 CHAIRPERSON KALLOS: [interposing]  
7 Actually, more of the City gets that applause.

8 COUNCIL MEMBER GREENFIELD: We--we  
9 appreciate it, and you can actually--you can catch at  
10 some of New York's not so fine comedy clubs this  
11 summer when the Council is on break. Ben Kallos and  
12 I are going to be doing a routine. There will be no  
13 covers because we don't think that people will come  
14 and watch to pay for it, but at least you can join us  
15 this summer, a free comedy routine--

16 CHAIRPERSON KALLOS: [interposing]  
17 Fabulous.

18 COUNCIL MEMBER GREENFIELD: --and we'll  
19 keep going. In Catskills perhaps as well. Yes,  
20 thank you.

21 GENE RUSSIANOFF: I think of you just a  
22 little bit the Honeymooners.

23 COUNCIL MEMBER GREENFIELD: Yes, yes,  
24 exactly, exactly. Thank you all.

25

2 DICK DADEY: Thank you for your support,  
3 Council Members.

4 PRUDENCE KATZ: [off mic] Thank you.  
5 Very good.

6 CHAIRPERSON KALLOS: Thank you, Member--  
7 thank you Council Member Greenfield. With regard to  
8 early payment, do you have any concerns with that?  
9 Are those--is there any evidence anecdotal or  
10 otherwise that the current payment cycle is a problem  
11 for candidates? [banging noise]

12 DICK DADEY: I'm sorry, the door opening  
13 affected my ability to hear you.

14 CHAIRPERSON KALLOS: With regards to  
15 Intro 986 for early payment, is there any evidence  
16 anecdotal or otherwise that shows that early--that-  
17 that the current payment schedule has been a problem  
18 for a candidate or two or more?

19 GENE RUSSIANOFF: [off mic] I--I believe  
20 the answer is yes.

21 CHAIRPERSON KALLOS: [interposing] If we  
22 can get--get a mic.

23 GENE RUSSIANOFF: [off mic] But we could  
24 get back to with the--with it.

2 CHAIRPERSON KALLOS: No, no I need for  
3 you to speak into the mic.

4 GENE RUSSIANOFF: Well, I said, yeah, I--  
5 I--yeah, following--an election cycle doesn't go by  
6 where several candidates then say I waited so long  
7 for the money that by that time it was just too late  
8 to move forward with the campaign. So anecdotally  
9 we've heard this.

10 CHAIRPERSON KALLOS: And a--and a  
11 candidate so if we can make matching of concern or--?

12 GENE RUSSIANOFF: Well, even the most  
13 famous example is several of these who several in a  
14 row failed to make the threshold, and was a very  
15 credible and hardworking candidate.

16 CHAIRPERSON KALLOS: Great. With regard  
17 to the--in terms of early payment and the ballot  
18 bumping, the CFB has indicated that ballot access is  
19 not a qualified expense. Is that something should be  
20 fixed, could be fixed? Is it something that should  
21 be left alone? Will this have an impact on the  
22 ballot bumping, and creating a situation where we can  
23 actually have more than one person on the Democratic  
24 ballot or even on the general election ballot?

2 GENE RUSSIANOFF: Well, yeah, whatever  
3 it--it says--this is one of the reasons why many of  
4 our groups have grown to despise the time we spend  
5 reading the Election Law because it is so terribly  
6 complicated, and so you could have someone who is  
7 preemptively challenging somebody else to help with  
8 their candidate. And the--the argument was made  
9 thus, well it's--it's a situation where you don't  
10 want to put someone at a deficit by--you want them to  
11 have access to some money to defend a false attack,  
12 and is that true? It has never reflected the reality  
13 of elected life? I don't know. I just know it's  
14 setting me off. [pause]

15 DICK DADEY: I mean I would just concur  
16 with what Gene has said. The--I--we have not thought  
17 about whether that should be a qualified expense.  
18 You know, I--I--I value and trust the judgment of the  
19 Campaign Finance Board, but it's probably worthy of  
20 consideration as--as we look forward to--as we look  
21 down the road in terms of future reforms.

22 CHAIRPERSON KALLOS: Well, I--I can tell  
23 you that if you--any money spend on valid access  
24 counts against your spending limit.

25 DICK DADEY: Right.

2 CHAIRPERSON KALLOS: But you can't use  
3 public funds for it--

4 DICK DADE: [interposing] Right.

5 CHAIRPERSON KALLOS: --so it's just--  
6 one--one thing versus another, and then perhaps as  
7 part--

8 DICK DADEY: [interposing] I mean--I mean  
9 it may that is and you--I mean there is a rationale  
10 to use public funds for that since it is seen as --

11 GENE RUSSIANOFF: It's a tough question.

12 DICK DADEY: Yeah, yeah.

13 CHAIRPERSON KALLOS: But I--sometimes  
14 there's tough questions here, too.

15 DICK DADEY: And we think--you know, we  
16 actually support--support the raising of the spending  
17 cap to deal with it.

18 CHAIRPERSON KALLOS: With regard to  
19 Intro 1001 from Council Member Williams, who I'm  
20 hoping is still watching, is there value to knowing  
21 about the entities that own entities? Is there value  
22 to knowing to knowing the individuals behind the  
23 companies that do business with the city or is having  
24 one company that's doing business with the city  
25 should that not be translated to the other companies

2 that own that company or the individuals that own  
3 that company?

4 PRUDENCE KATZ: I think it's a lot of  
5 value. I think--I might have heard a joke somebody  
6 was making about a Russian dollar or problem  
7 potentially, but I don't--I think--I mean you can see  
8 examples especially in how a real estate entity may  
9 give money under an LLC or a smaller--a smaller  
10 subsidiary, it seems it's separate. We heard earlier  
11 from the Campaign Finance Board testimony. I was  
12 really surprised that the owner S. L. Green is not  
13 listed in the Doing Business database because of I  
14 don't know what kind of bylaw. I'm sure it's legal.  
15 But definitely Intro 1001 seems like a no-brainer.

16 GENE RUSSIANOFF: If--if I could add,  
17 earlier in the afternoon--in the afternoon, you were  
18 asking what other things could the Council do and it  
19 was like ours. I think that Doing Business roster is  
20 due for a real overhaul, and with a lot--real close,  
21 you know, oversight by the Council. I--I think, you  
22 know, I've talked to people in and around it's  
23 creation, and it's, you know, went as far as it could  
24 go under difficult circumstances, but it's--it could  
25 be a lot better. So that--that would be one area I

2 would, you know, advise. I--I don't know if it's  
3 right for legislation or--or some other things, but  
4 it's--it's--it's-it's--could be--it should be much  
5 stronger than it is.

6 CHAIRPERSON KALLOS: Would you--would  
7 you support expanding 1001 from not only disclosure  
8 but also applying the Doing Business Rules to the  
9 entities that own entities or the individuals who own  
10 entities that do business with the City?

11 GENE RUSSIANOFF: Sun--sunshine is the  
12 best disinfectant, electric light and the bus--best  
13 police officer. So I would say, you know, exposing  
14 it to more disclosure is a good thing.

15 CHAIRPERSON KALLOS: Okay. Any questions  
16 I didn't get a chance to ask? That being said, I'd  
17 like to excuse this panel. I--we have not gotten  
18 any--we don't have anyone testifying against any of  
19 the legislation. We thank the Good Governments for  
20 being here as well as members of the public, the  
21 Fourth Estate and the press. Again, I'd like to  
22 thank the committee staff, even Council Member  
23 Greenfield. Thank you for joining us and---  
24 [background comments] Exact--we got a sponsor out of  
25 it. It--it was worth all of it. We will do our best

2 to [background comments] to improve the decorum and I  
3 think one piece is some people say if you put a good  
4 apple with the bad apples, the good apple rots, but  
5 sometimes hopefully you can--it can spread. So thank  
6 you. I hereby adjourn this meeting of the Committee  
7 on Governmental Operations. [gavel]

8 DICK DADEY:

9 CHAIRPERSON KALLOS:

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date May 6, 2016