

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON GOVERNMENTAL OPERATIONS

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June 19, 2017  
Start: 1:12 p.m.  
Recess: 1:27 p.m.

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)

Julia Lee  
Director of Annual Disclosure  
Special Counsel  
NYC Conflicts of Interest Board

[sound check]

[pause]

[gavel]

CHAIRPERSON KALLOS: Good afternoon,  
welcome to this hearing of the Committee on  
Governmental Operations. I am the chair, Ben Kallos;  
as always, you can tweet me @BenKallos. Today will  
be a first hearing for Proposed Introduction 1517-A  
that I've sponsored on behalf of the Conflict of  
Interest Board in relation to the timing of a  
disclosure report candidates for public office.

In the legislation heard by this  
committee this session we have tried to make our  
elections more accessible to the first-time  
candidates, we passed a law permitting the early  
release of public funds, we reduced the paperwork  
necessary for demonstrating compliance with a  
disclosure report, to be discussed today; we recently  
heard legislation that will allow for full public  
match to help first-time candidates compete with  
seasoned fundraisers.

In that same spirit, today we're  
discussing a bill that proposes a small technical  
change in the law but which makes the process fairer

1 for new candidates. Currently candidates obtain  
2 ballot access by collecting a certain number of  
3 signatures on petition sheets and on the same day  
4 those petitions are due, a financial disclosure  
5 report is also due to the Conflicts of Interest  
6 Board. Sophisticated candidates who have retained  
7 election lawyers and compliance professionals are  
8 certainly aware of this disclosure report deadline,  
9 but a first-time grassroots candidate may not be  
10 since the Conflicts of Interest Board would not know  
11 with certainty who the candidates for office will  
12 likely be until petitions are filed that leaves them  
13 unable to notify candidates for the deadline until  
14 after it has already passed. In other words, a  
15 first-time candidate may only learn of the disclosure  
16 report and the deadline after they are already  
17 noncompliant. Our conflicts of interest laws and our  
18 disclosure report requirements are not meant to be a  
19 gotcha for new candidates, but moving the deadline,  
20 as this bill does, we can provide the Conflicts of  
21 Interest Board time to notify candidates and provide  
22 time to candidates to fill out disclosure properly.  
23 A fair system is one that better serves everyone.  
24  
25

2 I want to acknowledge that we've been  
3 joined by the members of the committee who are  
4 already here today -- Joe Borelli, Carlos Menchaca;  
5 Mark Levine. With that, I'd like to ask the  
6 Conflicts of Interest Board to please delivery  
7 testimony, following the Committee Counsel who will  
8 administer the oath.

9 COMMITTEE COUNSEL: Do you affirm to tell  
10 the truth, the whole truth and nothing but the truth  
11 in your testimony before this committee and to  
12 respond honestly to council member questions?

13 JULIA LEE: I do.

14 COMMITTEE COUNSEL: Thank you.

15 JULIA LEE: My name is Julia Lee and I'm  
16 the Director of Annual Disclosure and Special Counsel  
17 at the New York City Conflicts of Interest Board. I  
18 am here to speak briefly about Introduction  
19 No. 1517-A, a local law to amend the Administrative  
20 Code of the City of New York in relation to the  
21 timing of a disclosure report for candidates for  
22 public office.

23 Administrative Code Section 12-110  
24 requires all candidates for City-elected office file  
25 an Annual Disclosure Report with the Conflicts of

2 Interest Board. Specifically, Section 12-110(b) (2)  
3 requires that candidates file an Annual Disclosure  
4 Report on or before the last day of filing his or her  
5 designating petitions pursuant to the Election Law.  
6 This creates a catch-22 situation for candidates,  
7 since the Conflicts of Interest Board cannot learn  
8 who has submitted designated petitions until after  
9 the petitions filing deadline has passed and thus we  
10 are unable to notify candidates of their obligation  
11 to file an Annual Disclosure Report until after they  
12 are already out of compliance.

13 This situation most often applies to  
14 those candidates who are unable to afford an  
15 experienced campaign staff who are familiar with the  
16 Election Laws and applicable filing requirements.  
17 Introduction No. 1517-A would remedy this problem by  
18 fixing deadlines for the filing of Annual Disclosure  
19 Reports by candidates that would enable the Conflicts  
20 of Interest Board to both notify candidates of their  
21 filing obligations in sufficient time for them to  
22 comply and to provide report to the public in advance  
23 of an election.

24 Instead of requiring candidates to file  
25 an Annual Disclosure Report on or before the last day

1 of the designating petition deadline, the proposed  
2 amendment would give candidates additional time, up  
3 to 30 days, to file their Annual Disclosure Report  
4 with the Conflicts of Interest Board. Additionally,  
5 the proposed amendment to Section 12-110(b)(2) would  
6 not undermine the requirements in schedules of either  
7 the New York City Campaign Finance Board or the New  
8 York City Board of Elections, with whom the Conflicts  
9 of Interest Board has consulted on these amendments.  
10

11 Finally, since the 2017 Citywide election  
12 is forthcoming, the passage of this local law is  
13 especially relevant and timely for the current  
14 candidates for City-elected offices.

15 I welcome any questions the Committee may  
16 have. Thank you.

17 CHAIRPERSON KALLOS: Thank you very much.  
18 So full disclosure; I think I missed my -- when I ran  
19 in 2009 I hit my deadline, but when I ran again in  
20 2013 I actually missed my deadline, so this  
21 legislation would be helpful for folks to actually  
22 get a notice. If this legislation were to -- so  
23 actually, let's just talk about status quo. So  
24 currently, how does COIB intend to meet the statutory  
25

2 mandate of telling candidates at the time as they  
3 file petitions?

4 JULIA LEE: Well there have been a few  
5 candidates who've already filed their petitions,  
6 thanks to the Campaign Finance Board; there's  
7 constant communication with the candidates and that  
8 agency as well. Once we actually get that list from  
9 the Board of Elections, after the designating  
10 deadline, we're then going to send a notice out for  
11 those people who have not been in compliance, so thus  
12 the 30 days would give us time to notify them and  
13 also give time for them to actually file the Annual  
14 Disclosure Report so that they're actually in  
15 compliance and we do no longer have to basically set  
16 late or non-filing fees for these candidates.

17 CHAIRPERSON KALLOS: Okay. So if this  
18 legislation were to pass at the next Stated session  
19 and go into immediate effect, how would that change  
20 your current operation?

21 JULIA LEE: That would basically not  
22 change our operation so much as it would change how  
23 candidates would be able to work with our office;  
24 instead of spending time looking who hasn't filed, we  
25 can actually proactively work with candidates and



1  
2 make sure they do file and they do comply with the  
3 law.

4 CHAIRPERSON KALLOS: If this law were to  
5 pass, what would be your communications plan in order  
6 to reach all the various candidates that may have  
7 registered for various different offices and which  
8 offices are even covered by this; is it just  
9 municipal offices; is it assembly offices; is it  
10 district leaders and state committee members?

11 JULIA LEE: These are actually for City  
12 elected offices and all of those people would be  
13 required to file under Administrative Code 12-110 as  
14 candidates. We get a list from the Board of  
15 Elections after the deadline has passed for them to  
16 have a designating petition and from that list is  
17 when we look at the people who have filed already,  
18 made a comparison, and then we would reach out to  
19 those people who have not filed by that date. In the  
20 past, because it was the same deadline, all those  
21 people who hadn't filed would automatically be late.  
22 This time we actually have additional time to then go  
23 reach out to those people and make sure that they  
24 file on a timely basis.  
25

2 CHAIRPERSON KALLOS: And how would you  
3 reach out to them; would you look at the committee  
4 address and send a mailer there; would you look at  
5 their home address and send a mailer there, because  
6 when you file a petition you actually put your home  
7 address on the petition as well; have you made  
8 arrangements with the Campaign Finance Board to get  
9 information from disclosures and filings that they  
10 have made to get phone numbers and other email  
11 addresses for campaigns?

12 JULIA LEE: So we do obviously get their  
13 name and their campaign addresses; if they don't have  
14 a campaign address, which many of these candidates  
15 who are doing it on their own, they give their home  
16 address; we would reach out to them that way. We're  
17 already in communication with the Campaign Finance  
18 Board and they have given us a list of their people,  
19 petitioned [sic] candidates who are seeking funds  
20 from them and they're trying to find out if they're  
21 in compliance with us.

22 CHAIRPERSON KALLOS: And what are the  
23 potential costs, consequences or penalties for  
24 candidates who do not file the required disclosure?  
25

2 JULIA LEE: The filing costs would be the  
3 same for all filers; it would range from \$250 up to  
4 \$10,000.

5 CHAIRPERSON KALLOS: Thank you very much.  
6 As acknowledged during my opening statement, we've  
7 been joined by Council Members Joe Borelli, Mark  
8 Levine; Carlos Menchaca. Do any of the committee  
9 members have any quick questions for COIB while we  
10 have them? Okay. I think I'm out of questions; I  
11 support this -- oh, there is one question that we  
12 received that was passed on by the League of Women  
13 Voters, they had a specific question with -- we're  
14 extending the timeline from 30 days to... sorry, from  
15 20 days to 30 days; we're extending the deadline for  
16 filing further into the season; they had expressed  
17 concern that 30 days out from the petition filing  
18 would be August 12th and then another ten days on top  
19 of that is August 22nd, which only leaves about three  
20 weeks between when somebody who is potentially  
21 violating COIB's law would become public information  
22 and an election which they were concerned was not  
23 enough time for voters to act upon it. Do you have  
24 anything you want to speak to that?

2 JULIA LEE: That they believe that time  
3 is not... that 40 days is not sufficient time for the  
4 candidates; is that the question?

5 CHAIRPERSON KALLOS: The time between  
6 when you publish the list of noncompliant candidates  
7 and the primary election.

8 JULIA LEE: Oh okay. You know the  
9 process is that they have to file within the days.  
10 Our whole point of giving the 30 days is that we  
11 would do the notifications as soon as possible. So  
12 once that happens, we'd be working with all the  
13 candidates to make sure they file way in advance of  
14 the August 12th deadline. So we don't see any  
15 concerns with that necessarily.

16 CHAIRPERSON KALLOS: Do you anticipate  
17 you'd use the full ten days or would you be just  
18 having that as a buffer but sounds like you'd more  
19 likely actually be very close to that August 12th  
20 deadline?

21 JULIA LEE: Yeah, we would... I mean we  
22 anticipate doing it closely to the August 12th  
23 deadline, but ten days obviously is for any  
24 stragglers who don't want their names published as  
25 being a non-filer.

2 CHAIRPERSON KALLOS: My Committee Counsel  
3 has asked me to ask a question that would be  
4 embarrassing to me, so why not ask. What has been  
5 the compliance rate with the requirement in previous  
6 election cycles; which candidates in prior cycles  
7 have been denied public funds or seen their public  
8 funds delayed, other than me, because they were  
9 unaware of the deadline?

10 JULIA LEE: I don't have that information  
11 for you.

12 CHAIRPERSON KALLOS: No worry. I know I  
13 was one of the folks who had their funds delayed  
14 because I had to make sure I got it filed, run down,  
15 get the piece of paper, take the piece of paper over  
16 to CFB, make sure CFB got it, and then checked it and  
17 then verified it with COIB and that whole 24 hours is  
18 a blur, so hopefully that won't happen to anybody  
19 else.

20 Seeing no further questions and seeing  
21 any folks here to testify, I'm going to excuse the  
22 Conflicts of Interest Board, and hold on one moment.  
23 [pause] We're gonna just recess for about a minute  
24 or two in contemplation of concluding what will be

2 the fastest hearing of the Committee on Governmental  
3 Operations of all time.

4 [pause]

5 [background comments]

6 [pause]

7 We'd like to thank the Conflicts of  
8 Interest Board for their assistance in drafting and  
9 proposing this legislation; we hope to vote it out as  
10 soon as possible and I hereby conclude this meeting  
11 of the Committee on Governmental Operations. If you  
12 have additional testimony you would like to submit,  
13 the record will remain open for 24 hours and that can  
14 be submitted to [policy@BenKallos.com](mailto:policy@BenKallos.com).

15 [gavel]

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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 July 12, 2017