

MEMORANDUM OF OPPOSITION Int. No. 1325-2019

January 23, 2019

<u>To:</u> Speaker Corey Johnson, Chair Fernando Cabrera, Council Member Stephen Levin <u>From:</u> Citizens Union of the City of New York <u>Date:</u> January 23, 2019 <u>Subject:</u> Memorandum of Opposition to Int. No. 1325-2019

<u>Title</u>: A Local Law to amend the administrative code of the city of New York, in relation to authorizing the creation of legal defense trusts.

Citizens Union opposes Int. No. 1325-2019 and the principle of creating a system in which public officials solicit private contributions for their legal defense. We agree that public officials should be able to recover legal expenses in connection with criminal investigations and prosecutions relating to the performance of their official duties where the investigation does not result in an indictment, or the prosecution does not result in a conviction. However, in such cases, we believe the reimbursement should come from public funds as it does for state officials under the New York State Public Officers Law.

Establishing a system for private contributions to a public official's legal defense, as Int. No. 1325 does, creates the risk or appearance of corruption and undue influence, and will necessitate a complex regulatory scheme to mitigate. It also allows private donors to circumvent contributions under the city's campaign finance system. We note the comments of Amy Loprest, Executive Director of the Campaign Finance Board, and the concern that this opens another opportunity for moneyed interests to exercise influence through contributions to elected officials. In addition, the legislation establishes avenues for government officials to receive contributions in excess of the limits set by the city's campaign finance laws.

Citizens Union believes that it is a legitimate use of public funds to cover the legal expenses of public officials related to the duties of their office, though not necessarily related to political campaigns and issue advocacy. We are particularly concerned that the bill permits contributions to legal defense trusts in addition to and far in excess of the limits imposed by the campaign finance laws. Accordingly, in the event that legislation is passed to authorize the establishment of legal defense trusts for public officials, contributions to such trusts should be the same as campaign contribution limits and should be counted toward the campaign contribution limits.

We welcome any opportunity to work with the Council on this issue.