NEW YORK STATE SENATOR

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Governor Cuomo Announces Agreement on Historic Ethics Reform

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Albany, NY (June 3, 2011): Governor Andrew M. Cuomo today announced that he, Senate Majority Leader Dean Skelos and Assembly Speaker Sheldon Silver have reached a three-way agreement on an ethics reform package that creates unprecedented transparency, strict disclosure requirements, and an enforcement unit with broad oversight of New York State government. The Governor, the Legislative Leaders and good government groups will hold a formal public announcement of the agreement on Monday in Albany.

The Clean Up Albany Act of 2011 establishes an independent Joint Commission on Public Ethics with robust enforcement powers to investigate violations of law by members of both the executive and legislative branches, oversee their financial disclosure requirements, and oversee lobbyists with newly expanded disclosure rules and definition of lobbying.

The Act significantly expands disclosure requirements and, for the first time, makes the information fully available to the public. The Act requires affected state employees to disclose income from outside employment and the names of clients or customers. The measure also requires these employees to disclose whether their outside clients have business before the state, including any proposed bill or resolution before the Legislature, any contracts or grants from the state, or any proceeding involving a state agency. The Act establishes a new database of any individual or firm that appears in a representative capacity before any state governmental entity and requires, for the first time, that state agencies track and report all such appearances to this database.

"I have repeatedly said that in order to get this state back on the right track, we must end the dysfunction and corruption that has plagued Albany for far too long and bring integrity back to the halls of our Capitol," said Governor Cuomo. "This bill is the tough and aggressive approach we need. It provides for disclosure of outside income by lawmakers, creates a true independent monitor to investigate corruption, and spells out tough, new rules that lobbyists must follow. Government does not work without the trust of the people – and this ethics overhaul is an important step in restoring that trust."

Once a national model, New York State government's reputation has been widely discredited through corruption, a lack of independent ethical oversight, and a failure to require more robust disclosure of outside income sources. Current ethics laws are policed by several separate entities using differing interpretations of the same laws, leading to an absence of true independence and fragmented enforcement. Additionally, current financial disclosure laws require disclosure of the amounts of outside income earned, but do not require the names of clients and customers of the reporting individual or his or her firm that may have business before the State and even the limited income disclosures required now are redacted from public review by current law.

In addition to creating a new Joint Commission on Public Ethics and requiring disclosures of clients of legislators' firms, the Clean Up Albany Act of 2011 contains some of the most comprehensive series of ethics enhancements in modern history, including:

Greater Financial Disclosure: Financial disclosure statements filed with the new Joint Commission on Public Ethics from elected officials will now be posted on the internet and the practice of redacting the monetary values and amounts reported by the filer will be ended. The Act also includes greater and more precise disclosure of financial information by expanding the categories of value used by reporting individuals to disclose the dollar amounts in their financial disclosure statements. The Act requires disclosure of the reporting individual's and his or her firm's outside clients and customers doing business with, receiving grants or contracts from, seeking legislation or resolutions from, or involved in cases or proceedings before the State as well as such clients brought to the firm by the public official.

Increased Access to Who is Appearing Before the State and Why: The Act establishes a new database of any individual or firm that appears in a representative capacity before any state governmental entity.

Additional Disclosures for Registered Lobbyists: The bill expands lobbying disclosure requirements, including the disclosure by lobbyists of any "reportable business relationships" of more than $1,000 with public officials. It also expands the definition of lobbying to include advocacy to affect the "introduction" of legislation or resolutions, a change that will help to ensure that all relevant lobbying activities are regulated by the new Joint Commission.

Forfeiture of Pensions for Public Officials Convicted of a Felony: Certain public officials who commit crimes related to their public offices may have their pensions reduced or forfeited in a new civil forfeiture proceeding brought by the Attorney General or the prosecutor who handled the conviction of the official.

A New Joint Commission on Public Ethics: The Joint Commission on Public Ethics will replace the existing Commission on Public Integrity with jurisdiction over all elected state officials and their employees, both executive and legislative, as well as lobbyists. The bipartisan Joint

Commission will consist of 14 members:

~ Six appointed by the Governor and Lieutenant Governor, at least three of whom shall be enrolled members of the major political party that is not that of the Governor

~ Eight appointed by the legislative leaders (four each from the two major political parties)

Among other restrictions, no individual will be eligible to serve on the Joint Commission who has within the last three years been a registered lobbyist, a statewide office holder, a legislator, a state commissioner or a political party chairman. The executive director of the Commission will be selected without regard to party affiliation. Commissioners will be prohibited from making campaign contributions to candidates for elected executive or legislative offices during their tenure.

The Joint Commission will have jurisdiction to investigate potential violations of law by legislators and legislative employees and, if violations are found, issue findings to the Legislative Ethics Commission, which will have jurisdiction to impose penalties. Significantly, if the joint commission reports such a violation to the Legislative Ethics Commission (with full findings of fact and conclusions of law), that report must be made public along with the Legislative Ethics Commission's disposition of the matter within strict timeframes. The Joint Commission will have jurisdiction to impose penalties on executive employees and lobbyists. Any potential violations of federal or state criminal laws will be referred to the appropriate prosecutor for further action.

The Joint Commission will also conduct mandatory ethics training for executive and legislative officials, except instances where such training already exists, and track the status of compliance and make it available to the public.

A majority (8 members) of the board must consent to the initiation of the investigation, and at least two of whom are of the same party and branch as the subject of the investigation. The procedure applies to issue findings of fact and conclusions of law. If the subject of the investigation is a lobbyist, only a simple majority is required.

Clarifying Independent Expenditures For Elections: The Act requires the state board of elections to issue new regulations clarifying disclosure of Independent Expenditures.

Increased Penalties for Violations: The Act substantially increases penalties for violations of the filing requirements and contribution limits in the Election Law, and provides for a special enforcement proceeding in the Supreme Court. The bill also increases penalties for violations of certain provisions of the state's code of Ethics that prohibits conflicts of interest.

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