



NEW YORK STATE SENATOR

Terrence Murphy

## When is a transfer not a transfer? When it's a felony

TERRENCE MURPHY April 26, 2016

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WHITE PLAINS, NY - Senator Terrence Murphy was joined by colleagues today to call for heightened penalties to combat the donation funneling used in block-bluster New York City pay-to-play allegations he first exposed back in 2014. Transfers by party committees to candidates are common place in New York State, however, using the committees as straw (fake) donors to disguise a single contribution, which is what is alleged to have occurred in 2014, is a first in the history of New York election law.

"This situation was not a series of contributions that were then transferred to a campaign in

the normal way, instead these were unlawful contributions structured to evade donation limits," Senator Murphy said. "This is clearly a statewide corruption scandal engineered by the Mayor of New York City. The cash was shaken down from individuals seeking City favors, washed and funneled through local party committees, in order to disguise single contributions as transfers. Unlawfully steering campaign donations is a felony. The Hudson Valley is not for sale."

At a press conference today, Murphy unveiled legislation, Senate Bill S7381, that would raise the penalty for what was perpetrated in the 2014 Senate races from a Class E felony to a Class D felony. State investigators called the scheme, which involves New York City Mayor Bill de Blasio, his campaign finance team, local party committees and several political consultants, a "willful and flagrant" violation and referred it for "criminal prosecution."

Outside the Westchester County Board of Elections, Murphy provided further details on the scheme to illegally redistribute contributions from donors with business before the City to 2014 Senate candidates to hire so-called "preferred vendors," who were also retained by de Blasio's non-profits that are now embroiled in a separate, larger investigation by the U.S. Attorney. Five of them were subpoenaed in the current investigation.

He raised questions about how the candidates were required by Team de Blasio to hire these consultants, some of whom are now working on 2016 Senate campaigns. These same consultants worked on independent expenditure efforts for some of the donors in question, who were prohibited from giving more than \$400 to the Mayor directly. Complicating things further, several of the de Blasio preferred vendors are also registered as lobbyists for these donors and lobby for them at City Hall.

"We need to do everything we can to deter this corrupt behavior," Senator Bill Larkin said.

"The people need to have faith restored in their elected officials and that starts with how candidates conduct themselves on the campaign trail. Mr. de Blasio should admit his wrongdoing. The families of the Hudson Valley and all those affected by this corrupt behavior should go into the voting booth next election knowing who is representing their interests and who is representing the interests of power hungry New York City politicians and bureaucrats.

"At a time when we're working tirelessly to restore the public's trust in our government, people need to understand how serious these charges are," Senator Sue Serino said. "If the allegations prove true and individuals knowingly circumvented the system that's in place to keep campaigns open and honest, it demonstrates a total disregard for the law, a complete lack of ethical character and goes to show that there's no limit to how low some would stoop to sell out our communities to Mayor de Blasio. Senator Murphy and I called attention to this issue in 2014 and today, by introducing this legislation and increasing the penalty for these kinds of actions, we are working to deter these flagrant violations and ensure that the penalty matches the seriousness of the crime."

"Restoring the public's trust in their government needs to be a top priority," Senator George Amedore said. "We called attention to these flagrant attempts to skirt campaign finance laws by Mayor de Blasio and his allies in the Senate Democratic conference during the last elections. This legislation is a good step to ensure that anyone who uses these dirty tactics will be held fully accountable."

A Class E felony is punishable by up to a year in prison. A Class D is punishable by up to seven years in prison, per violation. Reports have surfaced of the same corrupt practices being used by Team de Blasio in Buffalo, Rochester, and in Putnam, Suffolk, and Ulster counties. In the last 48 hours, press accounts have also alleged that these same tactics were

used to buy the recent Senate special election in Nassau County.