



NEW YORK STATE SENATOR

Andrea Stewart-Cousins

Combating Corruption And Restoring Faith: Senate Democrats Fight For Honesty And Integrity In New York Politics

ANDREA STEWART-COUSINS January 30, 2018

| ISSUE: **ETHICS REFORM**



Albany, NY - The Senate Democratic Conference today announced a series of bills to combat unethical behavior by public officials and help restore New Yorkers' faith in political campaigns. The Senate Republican Majority has repeatedly refused to act on any meaningful bills to reform political campaigns or curb the influence of deep-pocketed special interests on the electoral process. Despite Senate Republicans heel-dragging, Senate Democrats will

continue to highlight common sense bills to reform New York's broken and unethical campaign system.

"New Yorkers are tired of feeling excluded from the political process and having unlimited amounts of money dumped into elections," Senate Democratic Leader Andrea Stewart-Cousins said. "When voters feel removed from the political system and frustrated by corruption, state government must step in to fix it. My Senate Democratic colleagues and I want to restore New Yorkers' faith in the political system by punishing unethical behavior by public officials, shining a light on how campaigns are funded, and ending large corporations' ability to dump unlimited money into campaign accounts. I urge the Senate Republican Majority to join us in passing these common sense reforms to restore the voters' faith in New York State government."

The nonpartisan and nonprofit Center for Public Integrity gave New York State a D- for state integrity test. This grade, which puts New York 31st in the nation for public accountability and transparency, reflects the limited access to public information, inadequate oversight, and shadowy state budget process. Additionally, no meaningful ethics reforms resulted from the arrests of both former-Senate Majority Leader Dean Skelos, former-Assembly Speaker Sheldon Silver, and former-Senate Deputy Leader Thomas Libous. This low ranking for New York State on an issue as critical as good government is unacceptable, and that is why the Senate Democratic Conference has stepped up to clean up state government and the campaign finance process.

The legislation advanced by the Senate Democratic Conference would:

- Prohibit and Punish Undisclosed 'Self-Dealing': This bill, S.124, introduced by Senator Brad Hoylman, will establish criminal penalties for public servants who steer public contracts

or funds to help benefit themselves, their families, and/or their business interests.

- **Close the LLC Loophole:** This bill, S.7149, introduced by Senator Brian Kavanaugh, will make Limited Liability Companies (LLCs) subject to the existing contribution limits for corporations. This bill would also increase transparency by requiring disclosure of the identity of individuals with membership interests in LLCs and attribute contributions to members of LLCs.
- **Require the Disclosure of Bundlers:** This bill, S.1085-A, sponsored by Senator Gustavo Rivera, will define what an “intermediary” or “bundler” is in State law and require that these individuals or groups be disclosed to the State Board of Elections when bundling contributions for a candidate or authorized committee.
- **Require Shareholder Approval for Corporate Political Donations:** This bill, S.4111, introduced by Senator James Sanders, will require corporations to have a majority of their shareholders authorize any political spending.

Cap “Soft Money” Contributions: This bill, S.4164, introduced by Senator Liz Krueger, will end the practice of special interests being able to dump unlimited funds into political committee campaign accounts and instead implement a cap of \$25,000.

- **Lower Campaign Contribution Limits:** This bill, S.3301, introduced by Senate Democratic Deputy Leader Michael Gianaris, would lower contribution limits for statewide candidates to \$6,000 for the primary and \$6,000 for the general election. Senate candidates would be limited to \$4,000 for the primary and \$4,000 for the general election and Assembly candidates would be limited to \$2,000 for the primary, and \$2,000 for the general election.
- **Require the Disclosure of Employer and Occupation for Large Donors:** This bill, S.7129, introduced by Senator Brian Kavanaugh, will require that campaign committees which receive more than \$500 from a single donor provide the State Board of Elections with that

donor's occupation, employer, and employer's address.

- Establish a Public Financing System for State Campaigns: This bill, S.7593, sponsored by Senate Democratic Leader Andrea Stewart-Cousins, will create an optional public financing system for state campaigns. Under this system, eligible contributions to candidates for statewide office up to \$250 would be matched at the rate of \$6 for every \$1. Participating candidates could only receive donations of up to \$2,000. Candidates who are unopposed in a general or special election may not receive public funds. All unspent public funds must be returned 30 days after the election.

The Senate Democrats also issued a report detailing where New York State stands compared with other states on issues like public integrity, outside spending on campaigns, public officials' accountability, and other campaign finance and good government issues. The full report is available here: <https://www.scribd.com/document/370342204/COMBATING-CORRUPTION-AND-RESTORING-FAITH-SENATE-DEMOCRATS-FIGHT-FOR-HONESTY-AND-INTEGRITY-IN-NEW-YORK-POLITICS>

Bill Sponsor and Senate Democratic Deputy Leader Michael Gianaris said, "New York's campaign finance system is broken and in desperate need of reform. These proposals would begin to repair our democracy and reduce the influence of money in our system. I urge my colleagues to pass these bills as soon as possible."

Bill Sponsor Senator Brad Hoylman said, "New Yorkers deserve an ethical, honest government. It's a disgrace that since 2000, 45 members of the legislature have been accused, indicted or convicted of official misconduct. We must act now to fight corruption and restore faith in our public institutions. I'm proud to stand with the Senate Democrats to introduce

this package of reforms, including my bill to end Albany's culture of kickbacks and self-dealing, to begin restoring public confidence in our public institutions."

Bill Sponsor Senator Brian Kavanagh said, "New Yorkers have a right to expect transparency, accountability, and openness in our political process. But under current law, special interests can give politicians nearly unlimited campaign contributions, often while hiding their true identity. Our campaign finance laws have more holes than a sieve — and New Yorkers deserve better. Our electoral system is built on the idea that one person gets one vote — but New York's campaign finance laws tell a different story. The LLC Loophole allows special interests to buy influence wholesale, and our reporting requirements often leave concerned citizens and watchdog organizations guessing as to the true identity and business interests of large contributors. I thank our Leader, Senator Stewart-Cousins, for bringing us together to advance this important package of fundamental reforms. I look forward to working with our colleagues in the Senate, as well as the Assembly and Governor Cuomo, to enact them into law."

Bill Sponsor Senator Liz Krueger said, "I am proud to support his package of bills to limit the corrupting influence of money on our political process. We need to take action now to restore power to everyday New Yorkers, and stop wealthy individuals, corporations and interest groups from drowning our democracy with huge political spending."

Bill Sponsor Senator Gustavo Rivera said, "Faith in government and our electoral process has been damaged by frequent corruption scandals and a lack of transparency. New Yorkers deserve a system that holds elected officials accountable for their actions and evens the playing field when it comes to campaign contributions. I am proud to stand with my colleagues in the Democratic Conference in pushing for common sense reforms that will not only penalize and weed out unethical behavior, but help restore New Yorkers' trust in our

system.”

Bill Sponsor Senator James Sanders said, “Far too much money flows freely into our electoral process, much of which is due to unchecked, and often unaccountable, corporate giving. Under those conditions, I have authored a bill that may shine a light on this activity. It would require corporate donations to be approved by shareholders. My Senate Democratic colleagues and I want to clean up state government and restore the voters’ confidence, and my legislation will help achieve that goal. This should not be a controversial or partisan issue, and I hope my legislation is passed immediately.”

Senator Jamaal Bailey said, “New York is long overdue for adequate and meaningful ethics reform. It is embarrassing that in a state that is often times labeled as progressive, we have a rating of D- for the state integrity test. I am proud to stand with Senate Democrats in proposing our good government bill package and look forward to seeing this in fruition in the legislature.”

Senator John E. Brooks said, “New York needs to step out of the shadows and let the sunlight in on its elections. Virtually unlimited money has diminished the power of our democracy and trumped voters’ voices for too long. It is critical that we close the LLC loophole and limit soft money to restore integrity to our elections.”

Senator Roxanne J. Persaud said, “The effects of corruption have a negative impact on society. As vulnerable communities feel this impact most strongly, this can lead to a sense of hopelessness and lack of faith in government. The Senate Democrats will do everything in our power to craft stricter legislation that sends a clear message to New Yorkers- we see their frustration. We hear their voices. We will keep working to restore their faith in the system.”

Senator Toby Ann Stavisky said, “We must pass significant ethics and campaign finance reform laws. I support closing the LLC fundraising loophole and prohibiting the use of campaign accounts to pay for criminal defense attorneys. Reforming our campaign finance structure would go a long way in ridding Albany of dark money from dubious interests. The Senate Democratic proposals are key to making the Legislature more transparent and reestablishing trust from the public.”

Jess Wisneski, Deputy Director of Citizen Action of New York, said, “Wall Street billionaires and giant corporations wield too much power over our political system. We can only revive our democracy by lifting up the voice of everyday New Yorkers. Lowering contribution limits and public campaign financing will help to break down barriers to participation and lessen the influence of the super-rich. We must close the LLC loophole, so that corporate interests can no longer skirt the rules. The Senate Democrats have come out with a bold democracy agenda this session: first voting rights, now campaign finance reform. We applaud them for putting the working class ahead of the donor class, and making these their priorities right off the bat in 2018.”

Renata Pumarol, Deputy Director of NY Communities for Change, said, “Billionaire New York City developers are exploiting loopholes and killing key legislation that would strengthen and expand tenant protections. This is why we have record homelessness across the state. If we don’t close the LLC loophole to prevent big-money donors from dictating public policy, we will continue to face a housing crisis that Albany refuses to fix. We support the Senate Democrats plan to do just that, and urge others to join us in this fight.”

Dom Leon-Davis, Communications Associate for the New York Working Families Party, said, “Working families across the state deserve a legislature that works for them; not special interests. WFP supports a Fair Elections package that minimizes the influence of corporate

interests and puts the voices of working New Yorkers first.”

BACKGROUND ON PREVIOUS SENATE DEMOCRATIC GOOD GOVERNMENT AND CAMPAIGN FINANCE REFORM INITIATIVES:

- **2013:** Senate Democratic Conference Unveils Tough Ethics Package:
<https://www.scribd.com/document/136063151/04-15-13-Ethics-Reform-Bill-Package-Release>
- **2014:** Senate Democratic Conference Urges Immediate Action On Tough Ethics Package:
<https://www.scribd.com/document/222382517/05-06-14-Ethics-Reform-Bill-Package-Release>
- **2015:** Senate Democratic Conference Introduce The “Clean Up Albany” Legislative Package: <https://www.scribd.com/document/255205271/Senate-Democratic-Conference-Introduce-The-Clean-Up-Albany-Legislative-Package>
- **2015:** Senate Democratic Conference Outlines Budget Requests:
<https://www.scribd.com/document/258251545/Senate-Democratic-Conference-Outlines-Budget-Requests>
- **2016:** Senate Democrats: Budget Should Help Working Families AND Restore Public Trust In Government: <https://www.scribd.com/document/370058016/03-08-16-Budget-Priorities-Press-Release>
- **2017:** Senate Democrats Propose Progressive Budget Prioritizing WorkingClass New Yorkers: <https://www.scribd.com/document/341867691/3-14-2017-Budget-Priorities-Release>

RELATED LEGISLATION

2017-S124

-
- Introduced
 - - In Committee Assembly
 - In Committee Senate
 - - On Floor Calendar Assembly
 - On Floor Calendar Senate
 - - Passed Assembly
 - Passed Senate
 - Delivered to Governor
 - Signed By Governor
 -

Relates to undisclosed self-dealing

December 29, 2016

In Senate Committee [Codes](#)

Sponsored by [Brad Hoylman-Sigal](#)

Do you support this bill?

2017-S7149

- Introduced
- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate
- - Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to political contributions by limited liability companies

December 13, 2017

In Senate Committee [Rules](#)

Sponsored by [Brian Kavanagh](#)

Do you support this bill?

2017-S1085A

- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to campaign contributions by intermediaries

January 06, 2017

In Senate Committee Elections

Sponsored by Gustavo Rivera

Do you support this bill?

2017-S4111

- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to corporate political contributions

February 03, 2017

In Senate Committee Elections

Sponsored by James Sanders Jr.

Do you support this bill?

2017-S4164

- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to the party committee and constituted committee exemption from contribution and receipt limits for monies received and expenditures made to maintain a permanent headquarters and staff

February 06, 2017

In Senate Committee Elections

Sponsored by Liz Krueger

Do you support this bill?

2017-S3301

- Introduced
- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate
- - Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to contributions to candidates and political committees

January 20, 2017

In Senate Committee Elections

Sponsored by Michael Gianaris

Do you support this bill?

2017-S7129

- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Requires the filing of additional transferor and contributor identification information in campaign receipt and expenditure statements

December 08, 2017

In Senate Committee Elections

Sponsored by Brian Kavanagh

Do you support this bill?

2017-S7593

- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Enacts the "fair elections act"

January 29, 2018

In Senate Committee Elections

Sponsored by Andrea Stewart-Cousins

Do you support this bill?