



**New York City Campaign Finance Board**  
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**Testimony of Amy Loprest  
Executive Director  
New York City Campaign Finance Board**

**City Council Committee on Governmental Operations  
June 20, 2019**

Good afternoon, Chair Cabrera and members of the Committee on Governmental Operations. My name is Amy Loprest, and I am the Executive Director of the New York City Campaign Finance Board (CFB).

Thank you for the opportunity to provide testimony today on Int. No. 747, sponsored by Chair Fernando Cabrera, and Int. No. 773 and 774 sponsored by Councilmember Keith Powers. The CFB is supportive of all three measures before the committee today. Each bill is based on a Board proposal included among the legislative recommendations in our 2017 Post Election Report, and we are pleased to be discussing them here today.

Each of the three bills would make simple, but important changes to the Campaign Finance Act that will enhance the matching funds program by further increasing the role of small contributors and further reducing the risk or appearance of corruption.

Int. No. 747 would prohibit the distribution of matching funds to candidates convicted of felonies related to public corruption. As you may recall, one participating candidate for City Council in 2017 had previously served 21 months in prison for mail fraud and conspiracy for steering Council discretionary funds to a nonprofit that were ultimately used to pay staff members for campaign work. However, he met the threshold to qualify and received public matching funds for his 2017 campaign.

Ensuring that individuals with a track record of fraud do not receive public funds is not only good public policy but is fundamental to the integrity of the matching funds program.

Connecticut's Citizens' Election Program has a similar policy, in which candidates who have previously been convicted of a felony related to that individual's holding of public office are disqualified from receiving public money. We recommend that where Int. No. 747 references sections of the penal code that are fairly broad (such as wire fraud), language should be added to explicitly tie these crimes to an individual's actions as an elected official or candidate.

Additionally, we think that this legislation should also apply to people who criminally violate election law.

The Council may also want to consider extending Int. No. 747 to cover misdemeanors related to corruption, particularly in connection with government funds, as candidates tend to plead to misdemeanors to avoid a felony conviction. For example, a 2013 candidate who was recently indicted on seven felony counts related to engaging in a straw donor scheme admitted to the scheme and pled to a single misdemeanor charge. The Council should consider extending Int. No. 747 to cover misdemeanors that are specifically related to corruption and misuse of government funds. This is an important and necessary step for maintaining public trust in the matching funds program.

Additionally, we urge the Council to consider including a time limit, so that people are not permanently barred from receiving public funds once they have served their sentences and reformed. For example, the Council might consider having this apply for five years to misdemeanors and ten years for felony convictions.

Int. No. 773 would amend the definition of business dealings with the city to include uncertified land use applications, which would expand coverage of the Doing Business Database. Currently, the New York City Campaign Finance Act limits contributions from anyone seeking land use approvals once the City Planning Commission has certified their application. But this does not include those who have declared their intent to seek an approval by filing an application, which may be months, or even years, before certification. An applicant could therefore give a maximum contribution after the application is filed but before it is certified. The timing of such

contributions suggests that they may have been made with the intent to influence decisions. Int. No. 773 is an effective way to ensure that the matching funds program is doing everything it can to curb both corruption and the appearance of corruption.

This bill will also ensure that the “doing business” restrictions more effectively fulfill their intent. In this spirit, there are further changes to the Act’s “doing business” provisions that the Council may want to consider. Some of the land use proposals from the 2019 Charter Revision Commission could require the Council to alter the bill. It is our understanding that this bill’s aim is to move the Doing Business start date to the earliest formal date for a particular project at the start of the Uniform Land Use Review Procedure (ULURP). However, the potential Charter amendment would create a new formal first step in that process: the filing of a Project Information Form. The Council should take this into consideration and amend the bill language to include the Project Information Form before moving the legislation forward.

Additionally, current legislation keeps those on the Doing Business Database for a ULURP action on the database for 120 days after the Council has completed its disposition of the matter. All other doing business actions require people to remain on the database for one year after the end of the transaction. We suggest the Council consider whether the ULURP coverage period should similarly be extended to one year. The CFB is happy to work with the Council and relevant staff on other ways to enhance the Doing Business Database process.

Finally, Int. No. 774 would lower the minimum contribution counted towards meeting the threshold for public funds from \$10 to \$5. Currently, all contributions—even those as low as \$1—are eligible for match, but contributions under \$10 do not count towards meeting threshold to receive public funds. We have heard from candidates in less-wealthy districts that \$10 is a tough ask for many of their supporters. Lowering the amount to \$5 would allow more residents to participate in helping their favored candidates qualify for matching funds, and more candidates would be able to meet threshold sooner in the election year. Lowering the minimum contribution threshold to \$5 is a simple and effective way to engage more New Yorkers in our democratic process.

We are happy to see our legislative recommendations reflected in the legislation being heard today. These bills will further enhance the matching funds program and amplify the voices of everyday New Yorkers.

Thank you for the opportunity to provide testimony today. I'm happy to answer any questions you may have.

## Testimony to the City Council Governmental Operations Committee

### Three Improvements to NYC Campaign Finance Law

June 20, 2019

Good morning Chair Cabrera and members of the City Council Committee on Governmental Operations. My name is Alex Camarda, and I am the Senior Policy Advisor for Reinvent Albany. Reinvent Albany advocates for accountable and transparent New York State government. We are part of the leadership of the Fair Elections campaign seeking to establish a public matching system in New York State inspired by New York City's system.

The bills before the committee today further strengthen the City's model campaign finance program. Reinvent Albany supports all of the legislation as described below.

#### **Support for [Int. 747](#) - prohibits the distribution of public matching funds to candidates previously convicted of certain felonies.**

This bill prohibits distribution of public funds to candidates who have previously been convicted of certain felonies, attempted felonies or conspiracy to commit felonies which were not vacated or pardoned. These felonies include bribery involving public servants and related offenses (section 200 of the New York State penal law); corrupting the government (section 496 of the New York State penal law); grand larceny or larceny related to public funds (sections 155.30, 35, 40, and 42 of the New York State penal law); falsifying business records, tampering with public records, and offering a false instrument for filing (sections 175.10, 25 and 35, respectively, of the New York State penal law); defrauding the government (section 195.2 of the New York State penal law); theft or bribery concerning programs receiving federal funds (18 U.S. Code 666); and engaging in frauds or swindles, committing fraud by wire, radio or television, or honest services fraud (18 U.S. Code, sections 1341, 1343 and 1346).

It appears this bill is targeted at candidates like former State Senator and Councilmember Hiram Monserrate received \$87,000 in public matching funds during his failed 2017 run, despite misusing \$100,000 in city funds for a State Senate campaign and being convicted of physical assault for slashing his girlfriend with a broken glass.<sup>1</sup> In 2018, Monserrate was elected district leader in East Elmhurst, Queens.

Reinvent Albany supports this legislation and believes candidates convicted of felony crimes involving the public trust should be barred from receiving public funds. We support candidates having the right to run for office after paying their debt to society. Voters should make the choice regarding whether they deserve re-election, but we do not believe taxpayers should subsidize a candidate's effort to win back the public trust.

**Support for [Int. 774](#) - lowers to \$5 the smallest contribution eligible for public matching funds.**

This bill changes the smallest contribution that can count toward a candidate's eligibility for public funds from \$10 to \$5. Under current law, to qualify for public funds a candidate must reach two thresholds which vary depending on the office. One threshold is the number of contributions. The second threshold is the dollar value, but for this threshold only the dollar value of the portion that is matchable counts toward the threshold. For example, a City Council candidate must raise 75 contributions and \$5,000. The \$5,000 consists of the matchable portion of any contribution –\$10 to \$175. This bill will allow donations as low as \$5 to be counted as part of the matchable portion of a contribution (\$5 to \$175).

Reinvent Albany supports the intent of this legislation because it further encourages candidates to raise contributions from everyday New Yorkers in small donations. We think the amount should be lowered to \$3 rather than \$5. It is not uncommon to see fundraising emails from candidates and causes seeking contributions as low as \$3. Fundraising research shows these low-dollar amounts are attractive in inviting people to become donors, who later may contribute more money to the candidate or cause.<sup>2</sup> Reinvent Albany reviewed contributions to Councilmembers for the 2017 election cycle and found just 186 donations, or 0.72 percent, were under \$10, and 0.12%, or 30

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<sup>1</sup> J. David Goodman, "Monserrate, Ex-Senator and Ex-Convict, Seeks Votes Amid Disdain", *The New York Times*, September 10, 2017. Available at: <https://www.nytimes.com/2017/09/10/nyregion/hiram-monserrate-moya-city-council-primary.html>

<sup>2</sup> Micah Sifry, "How Low Can You Go? Why the \$3 E-mail Ask is Working," Available at: Personal Democracy Media. Available at: <http://techpresident.com/news/21787/how-low-can-you-go-why-3-e-mail-ask-working>

donations, under \$5. This analysis does not include donations to all candidates or unitemized contributions that are not matchable (which we think should be itemized), but we think because there are few donations under \$10, it makes sense to go lower to maximize the benefit consistent with fundraising research.

**Support for Int. 773 - amends the definition of business dealings with the city to include certain uncertified applications to the Department of City Planning.**

This bill lengthens the timeframe of when people or entities engaged in certain land-use related actions are considered to be “doing business” with the City. People or entities submitting uncertified applications pursuant to sections 197-c and 201 of the Charter to the Department of City Planning (DCP) would trigger “doing business” restrictions under the bill. Under current law, the start of “doing business” restrictions is the certification of the application by DCP. DCP certifies applications when written materials are received and deemed complete, marking the beginning of the Uniform Land Use Review Procedure (ULURP) process.

These applications include those for zoning changes and special permits (under section 201) and a variety of actions subject to the Uniform Land Use Review Procedure (ULURP) in section 197-c involving the development, use and improvement of real property including: 1) changes in the city map; 2) maps of subdivisions or platting of land; 3) site selection for capital projects; 3) designation of zoning districts; 4) revocable consents and RFPs and solicitations for franchises; 4) housing and urban renewal plans; 5) sanitary or waterfront landfills; and 5) city acquisition of real property.

Reinvent Albany supports this extension of the timeframe for “doing business” restrictions because an application can be considered for six months or longer by DCP. While the application is being considered for certification, there may be communications or meetings between the applicants and DCP, elected officials, and their staff involved in the ULURP process. Major conversations may occur around the need for an environmental impact statement, for example. During the same period, the applicant may make campaign contributions to elected officials which may be perceived as or actually attempt to influence the application before DCP. Therefore, the start date for the restrictions should begin with the submission of the application rather than the certification of the application by DCP.

Reinvent Albany notes, however, that lobbying also triggers “doing business” restrictions and lobbying, as defined in section 3-211 of the Administrative Code,

includes “any determination made by the mayor, the city council, the city planning commission, a borough president, a borough board or a community board with respect to zoning or the use, development or improvement of real property subject to city regulation.” While certification of an application is arguably ministerial, it may also be lobbying, particularly if conversations become an attempt to influence. We think this extension of the “doing business” timeframe is worthwhile, but there needs to be greater enforcement and education regarding whether this is lobbying, which would trigger “doing business” restrictions and require registering as a lobbyist or client with the City Clerk’s Office.

Thank you and I welcome any questions you may have.





**MEMORANDUM OF SUPPORT**  
**Int. No. 773 and 774**

**June 20, 2019**

**To:** Chair Fernando Cabrera, Councilmember Keith Powers and members of the Committee on Governmental Operations

**From:** Citizens Union of the City of New York

**Date:** June 20, 2019

**Subject:** Memorandum of Support to Int. No. 773 and 774

Citizens Union supports enactment of Int. Nos. 773 and 774, both of which have been advanced by the Campaign Finance Board and would improve the City's campaign financing system. Int. No. 773 would alter the definition of "business dealings" with the city in the following respect. For ULURP, zoning and special permit applications, currently the date that the applications constitute business dealings with the city is the date the application is certified. Int. No. 773 would change that date to the date of the application. It also would add that in the case of a withdrawal of such an application, the effective date would be the date of the withdrawal.

This amendment would better reflect the actual date when a ULURP, zoning and special permit application constitutes doing business with this city. It is from the date of an application, not some later date, that one seeking an action is engaging with the city to accomplish that action. That should be the date when the "business dealings" campaign contribution restrictions should be triggered.

Int. No. 774 would reduce from \$10 to \$5 the minimum dollar contribution that would count toward attaining the required number of contributions to qualify for public funds. A number of candidates have found that in certain districts of the city, people want to participate in a campaign but find a \$10 contribution to be too burdensome. Reducing the threshold to \$5 would allow more people to be engaged, which is one of the goals and strengths of the city's campaign financing system, without altering the other balances which make the system a nationwide model.

For the above reasons, Citizens Union recommends passage of these two bills. We welcome any opportunity to work with the Council on this issue.



## **MEMORANDUM OF OPPOSITION**

**Int. No. 747**

**June 20, 2019**

**To:** Chair Fernando Cabrera and members of the Committee on Governmental Operations

**From:** Citizens Union of the City of New York

**Date:** June 20, 2019

**Subject:** Memorandum of Opposition to Int. No. 747

Citizens Union opposes Int. No. 747 in its current form. This bill would bar candidates convicted of certain state or federal crimes from receiving public matching funds through the City's campaign financing system.

The current version of the bill is both under-inclusive and over-inclusive. If it intends to capture crimes related to corruption or misdeeds by public officials, it does not include violations of Article 14 of the Election Law, which include violations of state law regard to campaign financing. In addition, under this law criminal violations of the city's campaign financing law would not disqualify a candidate from receiving public funds. We further note a number of misdemeanor pleas originated as felony charges, including of the Penal Law crimes included in this bill, and a misdemeanor plea to a crime involving public corruption might well signify serious criminal misconduct.

The bill appears over-inclusive because it includes federal crimes that have nothing to do with official misconduct. The bill would disqualify all persons convicted of federal mail fraud and wire fraud charges from receiving funds (convictions under similar state laws would not be covered). A substantial percentage of prosecutors' charges in federal white collar cases involve mail fraud and wire fraud, and these matters may be far removed from the misuse of public funds or misconduct while in office. If these crimes are included, why not the crimes of murder, kidnapping or, for that matter, terrorism?

This leads to a more basic concern that society has been evolving in its treatment of offenders, trying to give them more opportunity to return to their normal lives after serving their

sentences. Indeed, New York and Florida recently took action to make it easier for offenders who have served sentences to vote. The proposed legislation moves in the other direction. It not only would deprive persons who have served their sentences from being able to run competitive races should they choose to run for city elected office, but also would do so for their lifetime. In addition, the bill would bar someone “convicted” of a felony from receiving public funds even if that conviction is under appeal, an appeal which could well be successful, thus vacating the original sentence. Indeed, it is not clear that a person convicted of a crime delineated in the legislation but later found to have been wrongfully convicted would then be eligible for public campaign funds.

For the above reasons, Citizens Union recommends that the Council not enact the current version of Int. 747. We welcome any opportunity to work with the Council on this issue.

**TESTIMONY**  
presented by  
**Ayirini Fonseca-Sabune, Chief Democracy Officer**  
**Office of the Deputy Mayor for Strategic Policy Initiatives**  
before the  
**New York City Council**  
**Committee on Governmental Operations**  
on the subject of

**Int 747: Prohibiting the distribution of public matching funds to candidates previously convicted of certain felonies;**

**Int 773: Amending the definition of business dealings with the city to include certain uncertified applications to the department of city planning;**

**Int 774: Per contributor amount of public funding threshold for eligibility**  
on

Thursday, June 20, 2019 at 1PM

My name is Ayirini Fonseca-Sabune, and I am the Chief Democracy Officer for New York City. Thank you to Chair Cabrera and the Committee for holding this hearing and for the opportunity to submit testimony.

The DemocracyNYC initiative aims to increase voter registration, participation, and civic engagement in New York City. DemocracyNYC was first announced by Mayor Bill de Blasio in his 2018 State of the City address, which set forth a robust 10-Point Plan to make New York City the fairest, most civically engaged big city in America.

DemocracyNYC was created with the guiding principles of making it easier to vote and run for office. In order to accomplish these goals, we must first build trust between the people of New York City and our electoral system. Establishing this trust begins with rooting out corruption, any perception of corruption, and by getting big money out of politics. The City's investment in the public financing program reflects its commitment to these goals. We are proud that New York City is a national leader in campaign finance reform.

**Int. 747**

DemocracyNYC supports reasonable measures to prevent the potential misuse of public matching funds. As the Council considers the proposal, it will be important to carefully consider the possible impacts of prohibitions on the distribution of public funds to candidates who would be implicated by the bill. For example, we have concerns about providing blanket prohibitions on conduct that is not directly related to a candidate's time in public service.

The administration encourages a careful review of the proposed list of felonies, and we look forward to working closely with the Council and the CFB on how to balance the public's interest in ensuring that public campaign finance dollars are not used to finance corrupt candidates, with issues of fairness for justice-involved individuals.

**Int. 773**

DemocracyNYC supports limits on contributions to candidates for city office from those “doing business” with city government. The administration looks forward to reviewing this proposal further, in particular the timing for when individuals are added and removed from the database upon submission and withdrawal of a land use application. We look forward to continuing discussions with the Council about this proposal.

**Int. 774**

DemocracyNYC supports the goal of making it easier for all New Yorkers to run for public office with a low minimum contribution amount for threshold eligibility, and look forward to further discussion of how best to balance reducing the threshold for donations while still ensuring that candidates demonstrate the base of support necessary to qualify for matching funds.

\* \* \*

DemocracyNYC is committed to restoring faith in our democratic process. We are supportive of initiatives to strengthen campaign finance reform and make the electoral process more accessible to all New Yorkers. We look forward to discussions on the proposed legislation, the potential impact on our city’s elections, and the ways we can work together with the Council, the CFB and other stakeholders to continue to improve New York City’s public financing system.

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Amy Loprest

Address: 100 Church St

I represent: NYC Campaign Finance Bd

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 742/772/774 Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Eric Friedman

Address: \_\_\_\_\_

I represent: NYC Campaign Finance Bd

Address: 100 Church St

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Alex Camardo

Address: \_\_\_\_\_

I represent: Reinvent Albany

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms