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Political Clubs' Campaign Activities Hidden from Public Scrutiny

Citizens Union Report Finds 224 Clubs Fail to Register as Political Committees with State Board of Elections

Millions in Contributions and Expenditures Go Unreported as Thousands of Campaign
Finance Reports Not Filed

*State Board's Lackluster Enforcement Fails to Bring Transparency to Clubs; Clubs'
Relationships with Elected Officials Raises Questions*

Citizens Union today released [Hidden from View: The Undisclosed Campaign Activity of Political Clubs in New York State](#) revealing that campaign and other activities of 224 political clubs are opaque and devoid of public scrutiny because the clubs fail to register as political committees with the State Board of Elections as required by law and that the Board has not done anything to enforce the law by requiring disclosure and compelling reporting.

The clubs also have failed to file as many as 2,318 campaign finance reports. Those reports would have detailed the more than 5,485 transactions identified by Citizens Union the clubs engaged in totaling at least \$2.27 million since 2009.

"While Albany reeks of political corruption borne of cronyism and contemplates substantial changes to our campaign finance system, it's clear that the most basic form of oversight - basic disclosure of political activity - is lacking," said Dick Dadey, Executive Director of Citizens Union. "That so many political clubs could raise money, make expenditures, and participate in so much political activity in support of candidates

without disclosure is but one more reason why a complete overhaul of enforcement of our state's campaign finance laws is needed."

"Transparency is often the first step in detecting wrongdoing and discovering corrupt activities," said Alex Camarda, Director of Public Policy and Advocacy. "Enforcing requirements that all entities engaging in campaign activity make known their receipts and expenditures ultimately ensures more ethical political activity and accountable government."

The failure of political clubs to register and report their activities to the State Board means more than missed paperwork. Neglecting their obligation to file means it is not known who is the treasurer for individual clubs, in what bank accounts the clubs keep their funds, or who is funding their activities. Former Councilmember Larry Seabrook faced corruption charges for activities related to his political club, the Northeast Bronx Community Democratic Club, in 2011. Seabrook used the club to fund his personal expenses including a \$177 for a bagel sandwich and a Snapple. The club, formed by Seabrook in 1986, never registered as a political committee, never filed campaign finance reports, and its treasurer was Seabrook's former Chief of Staff who routinely signed blank checks for Seabrook.

Citizens Union examined in detail [20 clubs of the 224 clubs](#) that did not register with the Board and had the highest dollar value of unreported transactions with candidate and other political committees. Top on the list was the **Tioga Carver Democratic Club**, which engaged in at least \$105,900 in unreported transactions since 2009. The club received \$63,000 in contributions, including \$30,500 in rent in 2011 and 2012, from Assemblymember Denny Farrell's campaign committee. It also received from Councilmember Robert Jackson \$10,650 in rent in 2009 and another \$150 in 2012 for overdue rent. It is even less clear what the club spends its money on. It carried petitions for State Senator Bill Perkins' candidacy in 2010, and received a payment from mayoral candidate Bill Thompson for Election Day Operations in 2009. The New York County Democratic committee paid the club in 2010 for GOTV (Get-Out-The-Vote) from its non-campaign housekeeping account. The club endorsed Mark Green for Public Advocate in 2009, Adriano Espaillat for State Senate in 2010, and Charles Rangel in 2012 for U.S. Congress. [A detailed account of the contributions and expenditures by the 20 clubs examined in detail by Citizens Union begins on p. 24 of the report.](#)

Citizens Union also identified many relationships between elected officials and candidates and the 20 political clubs we examined in detail. That these relationships

exist is entirely permissible, but the lack of knowledge of the nature of their association raise questions as to how independently the clubs operate. Of the 210 clubs that historically have properly registered with the State Board of Elections, 153 did so as political committees independent of candidates. This means coordination with candidates' campaigns took place it would be considered an in-kind contribution subject to contribution limits for the office sought by the candidate.

Yet Citizens Union found numerous instances of relationships that raise questions as to whether candidates are coordinating with clubs. The **Wood-Heights Democratic Club**, for example, held a fundraiser and collected petitions for Assemblymember Michael DenDekker. The club's treasurer is his wife Angela and his former campaign manager Manny Perez is the club's President. Because the club did not make known its expenditures, it is not known whether the club campaigned on DenDekker's behalf.

Several Republican clubs in Nassau County - **Elmont North Republican Club**, **Seaford Republican Club**, and the **North Bellmore Republican Club** - are led by senior level employees working for the Supervisor of the Town of Hempstead Kate Murray. Murray's Chief of Staff Ray Mineo works for the Elmont North Republican Club. Her former Acting Director of the Town's Animal Shelter, Charles S. Milone runs the Seaford Republican Club. Two other senior level Town of Hempstead employees, John Reinhardt and Ronald Insigna are leaders of the North Bellmore Republican Club. Citizens Union uncovered thousands of dollars in donations from these clubs to the campaign committee to Town of Hempstead Supervisor Kate Murray and the Nassau County Republican Committee.

[For a listing of relationships between elected officials and clubs, see pgs 6-8 in the report.](#)

Citizens Union calls on the State Board to notify political clubs of their obligation to register as political committees and file the relevant campaign finance disclosure reports. It also calls on the Board to more precisely define what coordination between a candidate and an independent political committee is, and to indicate to political clubs as to what type of committee they should properly register. Finally, Citizens Union recommends that any campaign finance reform enacted by Governor Cuomo and the state legislature create a truly independent enforcement entity that is adequately resourced and capable of robustly enforcing state campaign finance laws.



[Citizens Union](#) is a nonpartisan good government group dedicated to making democracy work for all New Yorkers. Citizens Union serves as a civic watchdog, combating corruption and fighting for political reform. We work to ensure fair and open elections, honest and efficient government, and a civically-engaged public.

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