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**For Immediate Release**

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## **NEWS RELEASE**

### **CITIZENS UNION PROPOSES CITY LAW TO REGULATE NEW BREED OF ELECTED OFFICIAL FORMED and AFFILIATED NONPROFIT ORGANIZATIONS**

[Good Government Organization Calls Upon Mayor de Blasio and Council Speaker Mark-Viverito to Enact Legislation Requiring Such Nonprofits Be Subject to the Jurisdiction of the City's Campaign Finance Board](#)

**Law Would Require Groups to Register, Disclose Activity, Limit Contribution Size From Those With Business Before the City, and Forbid Fundraising By Elected Official**

*Law Needed to Curb Return of "Pay-to-Play" Culture of Corruption at City Hall Where Big Money Poses Threat to Honest Government Decision-Making*

Good Government Group Also Releases Letter Sent to Conflicts of Interest Board Asking If Recent Declaration That Certain Specific Mayoral Consultants are "Agents of the City" Should They Be Required to File Financial Disclosure Statements

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Citizens Union – founded in 1897 to fight the corruption of Tammany Hall in the affairs of the City of New York – releases today a proposal that would bring needed regulation to an area of government activity where elected officials legally form nonprofit organizations to support their agenda and in doing so also serve to promote the elected officials' political aims.

The proposal calls for such organizations to come under the jurisdiction of the city's campaign finance program requiring them to

1. register as an elected official-affiliated nonprofit organization,
2. report their activities,
3. disclose their contributions and expenditures, and

4. limit the size of donor contributions, identical to those of candidate committees, if the donor has a matter of self-interest before the city government, or if the organization receives a substantial portion of its contributions from the same donors who supported the elected official's campaign committee.

In addition, the elected official and/or his/her agent would be barred from soliciting contributions to the organization from individuals or entities doing business with the city.

In an earlier but connected matter, Citizens Union made public today a letter it had sent to the city's Conflict of Interest Board asking for it to review and determine whether the designation "agent of the city" carries an obligation to release conflicts of interest information and financial disclosure statements as is required of public servants under Chapter 68 of the New York City Charter. If the five unofficial advisers to Mayor de Blasio are to benefit from the "agents of the city" designation and have their communications with City Hall as privileged and not subject to FOIL and public disclosure, then, Citizens Union asked, should not these shielded individuals also comply with the obligations and responsibilities of other public officials, such as releasing conflicts of interest information and financial disclosure statements.

Dick Dadey, executive director of Citizens Union, said, "As civic-minded New Yorkers, we are concerned that these nonprofits, whose existence is legally permitted, should be subject to regulation by the Campaign Finance Board because we want to tamp down the re-emergence of a pay-to-play culture at City Hall that can breed a culture of corruption. Our city government has seen little corruption in the past two decades due in no small part to the city's heralded campaign finance program which is often touted as a national model in keeping money out of our local politics. "

Dadey continued, "Under current law, individual, union and corporate donors may contribute to these organizations without limit and without disclosure. These organizations may also be funded substantially by contributors doing business or seeking to do business with the city or otherwise attempting to gain access to, or curry favor with, the official. These official-affiliated organizations can be designed to function as a component of that official's political operation, much like candidate campaign committees or transition and inauguration committees but, unlike these committees, contributions to the organization are not disclosed or in any way limited."

Dadey concluded, "That these elected-official organizations are not regulated gives us concern that their activity could breed corruption. Indeed, contributors to official-affiliated organizations can give many times the amount they would be allowed to give to the official's campaign, transition, or inauguration committees. New Yorkers deserve a government that conducts its affairs in an honest and open manner with no one person or entity having an advantage over another on a city government matter simply because they were able to make a large undisclosed contribution to an elected official formed and affiliated organization. We must stop now the possibility of a renewed pay to play culture in New York City that will breed corruption by having the mayor and the council enact legislation that regulates these new but potentially corrupting organizations. "