



CITIZENS UNION OF THE CITY OF NEW YORK
Testimony to the New York State Senate Democratic Conference
on Ethics Reform in New York State
May 4, 2011

Good morning Senators Squadron, Krueger, and other members of the Senate Democratic Conference. My name is Dick Dadey, and I am the executive director of Citizens Union of the City of New York. Citizens Union is an independent, non-partisan, civic organization of New Yorkers who promote good government and advance political reform in our city and state. For more than a century, Citizens Union has served as a watchdog for the public interest and an advocate for the common good. I thank you for holding this hearing and giving us the opportunity to present Citizens Union's views on this important topic. Ethics reform is a top priority for voters, and we are pleased that you are giving the public the opportunity to weigh in on this issue.

As you know, Citizens Union has been a strong advocate for ethics reform, and worked with your conference and the Assembly in 2010 to craft ethics reform legislation. A year and a couple indictments later, we remain without needed reforms to create more effective ethics oversight. It is now even more important for the Legislature and Governor to come to an agreement on ethics reform, as we have seen a marked increase in unethical and criminal behavior in recent years. Citizens Union earlier this year released an update on its report on legislative turnover, finding that the number of legislators leaving for ethical or criminal issues tripled in the last six years. We submit this report as part of our testimony today. Overall, 17 legislators since 1999 have left due to ethical or criminal issues with an astonishing 13 doing so in the last six years, and 4 leaving for such reasons in the six years prior to 2005.

We remain committed to achieving ethics reform this session, and would like to reiterate our position today, which I will now outline.

Ethics Oversight

Citizens Union ideally supports the creation of a unitary body charged with overseeing ethics in the executive and legislative branches, with no one entity or individual making a majority of the appointments. Lobbying and campaign finance reporting and enforcement should also be housed within that entity. We believe that this uber-entity would best be able to monitor the nexus between money, ethics, campaigns and lobbying in state government; however, we supported separate oversight bodies as present in the ethics legislation last year, as sufficient independence was provided for each body. For any ethics entities, we support the following:

- 1) Enhanced restrictions should be placed on members that are part of a commission or commissions overseeing ethics, lobbying, campaign finance reporting and enforcement, and lobbying reporting and enforcement. A commission should not include members who:

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- a. are current legislators;
 - b. serve as a party official or are seeking a party leadership position;
 - c. hold public office;
 - d. have a paid position with a campaign for elective office; and
 - e. represent or be in business with a member of the legislature or administration overseen by the commission.
- 2) The executive director of ethics bodies should have a fixed term with removal only for cause.
 - 3) Whatever entity is in charge of ethics or campaign finance reporting and enforcement, it should be empowered to conduct random audits of financial disclosure and campaign disclosure filings, respectively.
 - 4) The definition of lobbying should be enhanced to include resolutions and advocacy done prior to a bill's introduction.

Financial Disclosure

Strong financial disclosure is a necessary complement to structural changes, as the public currently is largely in the dark concerning outside activities by lawmakers and potential conflicts of interest. In order to create more transparency and to prevent conflicts of interest, Citizens Union supports the following:

- 1) Outside income earned by legislators should be made public and income ranges should be tightened.
- 2) Public officers (including electeds) and lobbyists should disclose their relationships with those doing business with the state, including clients of lawyers with some exceptions. A process should be established where lawyers could appeal to have particular clients remain unknown to the public.
- 3) Financial disclosure forms should be made available online.

Pension Forfeiture

Citizens Union supports pension forfeiture as a sanction available to a court when an elected official, head of a state agency, or judge commits a specifically enumerated crime that is related to the holding of one's office. Specifically:

- 1) Imposition of the forfeiture penalty should be discretionary with the sentencing court, which must consider a list of specified factors.
- 2) Those whose pensions are forfeited should be entitled to receive back their own contributions to the plan with interest.
- 3) Medical and disability benefits should not be affected.
- 4) Spouses and other beneficiaries who otherwise would be entitled to some or all of the pension should not lose those rights.

Citizens Union supports forfeiture statutes that would apply to all elected officials, agency heads and judges who are members of the pension plan, seeing no reason why currently-employed public officers should be exempted from the forfeiture requirement should they commit one of the specifically enumerated crimes. Citizens Union would support a constitutional amendment to remove the current limitation on officials who are currently members of the pension system. In the absence of a constitutional amendment, we would support a forfeiture statute which operates only prospectively, should it have the other provisions as recommended above.

Campaign Finance

A major component of the ethics legislation from 2010 was the creation of a discrete campaign finance enforcement unit within the State Board of Elections. While Citizens Union does not currently believe that campaign finance reforms must be part of new ethics legislation, provided that it is addressed in separate legislation, we support the following:

- 1) The Board of Elections should only be able to stop an investigation with a majority vote, rather than start an investigation with a majority vote.
- 2) The Board of Elections should have the power to initiate investigations and conduct random audits.
- 3) Fines for violations of the campaign finance law should be higher.
- 4) The attorney general should be able to initiate investigations and prosecute cases involving public corruption, including serious election law malfeasance.
- 5) Restrictions should be placed on the personal use of campaign contributions and excess contributions should be disposed of after an established period of time has elapsed following the election.
- 6) The Board of Elections should better enforce the disclosure of independent expenditures, and legislation should require more explicit and targeted disclosure. Disclosure forms should link the candidate targeted and the type of expenditure for each expenditure reported.

We thank you again for holding this hearing, and are available to answer any questions you might have regarding our positions.