

**Testimony of Nicole A. Gordon
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New York City Campaign Finance Board**

**City Council Committee on Standards and Ethics
June 27, 2003**

As stated in our testimony of June 10, the CFB recognizes the importance of having candidates file complete and timely financial disclosure forms. The Board, however, continues to have serious concerns about a provision that was shown to us for the first time on Monday, June 23 that implicates payments of public funds for candidates participating in the New York City Campaign Finance Program. The proposal would provide that candidates participating in the Campaign Finance Program would not receive public funds if their financial disclosure forms have not been filed with the Conflicts of Interest Board, as evidenced by a receipt to be submitted by the candidate.

Our primary concern is that under this proposal, candidates participating in the Campaign Finance Program would be treated differently from candidates not participating in the Program. In short, candidates participating in the Program, who already have greater demands placed on them to comply with the Program compared with the demands placed on non-participants, would now face an extraordinary consequence for failure to provide a receipt for a filing with the Conflicts of Interest Board, while no additional consequence would occur for non-participants.

Incumbents participating in the Program would similarly have an advantage under the proposal as compared with challengers who are participants, because the filing deadline for office holders comes much earlier, giving incumbents more notice and more time to comply.

The fact also remains that the Board would be carrying out the enforcement of a mandate of another agency – the Conflicts of Interest Board. The CFB, as you know, is a nonpartisan and independent agency whose responsibilities are not always congruent with those of mayoral agencies, such as the Conflicts of Interest Board.

The public funds payment process, as many members of the Committee know, is already stressful and demanding for the candidates. There must be a compelling reason indeed to add another requirement that is not directly related to the Program's requirements to outweigh the administrative burdens, possibly additional costs, confusion, and potential for error or dispute that would of necessity come with this proposal. While the new proposal somewhat mitigates the administrative hurdles to verify candidate compliance, the fact remains that a candidate's submission of a piece of paper prepared by another agency of government will always have the potential for disputes and misunderstandings between the candidate and the CFB, when such disputes should remain between the candidate and the COIB. It is evident that this new requirement will also increase the interim demands by candidates to be paid off the schedule established for the Program, when these do manage to come into compliance. The potential for litigation will also be increased.

The Committee might contemplate other solutions, such as increasing more substantially the penalty for failure to file the financial disclosure form.

As an agency that enforces its rules vigorously, the Campaign Finance Board is sympathetic to the issues presented, but cannot at this time support a solution that does not treat all candidates equally and that creates additional administrative burdens for candidates and the Board that could delay public funds payments to candidates for the election period. The CFB looks forward to working with the Committee and the Conflicts of Interest Board in any way it can to support the important values of timely and complete disclosure filings.