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February 17, 2005

Frederick A.O. Schwarz, Jr.  
New York City Campaign Finance Board  
40 Rector Street,  
New York, New York 10006  
Att: Andrea Lynn

Re: Potential Influence Peddling  
Statement in lieu of testimony

Dear Chairman Schwarz:

In response to your invitation to hear my views on "doing business" with the city and further restrictions on contributions, lobbyists, etc., let me respond in both my past capacity as the Speaker who championed the original campaign finance law with Mayor Koch, and in my present capacity as a governmental consultant, sometimes lobbyist, professor at Baruch teaching Politics and Principles of Government, and author of a book soon to come out which seeks to attract honest and dedicated people to run for office without having to be millionaires.

No one believes in public financing more than I do, but to assume that because contributions are made by persons who "do business" with the city or by lobbyists who fully disclose their clients and contribute to elected officials is somehow wrong, is indeed simply wrong. People contribute because they support and believe in the people they contribute to, just as they select the various charities, churches, synagogues, and cultural institutions that they support. The whole point of limiting the amounts of contributions was to limit even the appearance of influence of the person contributing, and by disclosing the name and amount, clearing the air of any wrongdoing. Further, by the use of matching public funds, the public itself becomes the more interested party, as it should be. Why, suddenly, should such contributions be falsely labeled as "influence peddling"?

As an elected official, I learned a great deal from lobbyists on both sides of any controversial issue as well as from their clients, but always made my decisions after consulting with my staff and colleagues based upon the right thing to do for my city (i.e., the "public") and never based on "pay for play", which as you very well know is a crime and be subject to forfeiture from office. If a lobbyist gives wrong or deceitful information to a public servant, he or she would simply lose all credibility, as well as any future access. It is manifestly wrong to imply that a lobbyist is per se somehow a wrongdoer. A lobbyist has a similar duty as does a lawyer, to present the clients best foot forward, but also to be truthful and understand that there is another view to be considered, which if ignored, may well lead to defeat. In the end the decision maker which in most cases is an elected official will be held to answer by the public, the basis and reason for campaign financing, and the most important interested party involved.

While I respect people who are independently wealthy and do not have to ask for contributions from anyone, like Mayor Bloomberg, it would be devastating if you throw out the baby (our original law) with the bathwater (people who abuse and deserve to be prosecuted). The danger from over regulation by the Campaign Finance Board will be that the red tape you create will eventually smother the very reason for your existence. Indeed, the fewer elected officials who join are the very ones that should enthusiastically be your prime supporters, instead of the critics they now appear to be.

You will recall that I cautioned you and your predecessor not to assume that elected officials are motivated by some evil force by accepting contributions from lobbyists, their clients, or people you will label as "doing business" with the city, but rather because it is the essence of democracy for the "common" man and woman to be able to aspire to become a member of the city council, or even to become President of our great country.

Does it not make sense that the very people you seek to prohibit from contributing are the ones who have the most to lose if this city does not prosper? Surely, they that do business with the city have a right to make sure the city's representatives are the best that voters can elect, and not that "money could buy". For the law now to be changed and say, "Sorry, you can't accept contributions from anyone who 'does business' with the city", a union, a lobbyist or anyone else you so define would stifle that dream, and worse, have a tremendous negative effect on anyone who is thinking of making a contribution in the first place.

Why would a prospective contributor who may well be thinking about doing business with the city, or simply not be sure of same, subject himself to adverse publicity by giving anything at all? Such a prohibition would most certainly have a stifling effect on any prospective donor, no less one who has a direct or indirect financial interest.

I am very proud of our campaign finance law, as well as your long and distinguished service to our great city. My great fear, as I told you when drafting the law, is that this country will return to the aristocracy that our forefathers fought against unless public financing becomes the vehicle to balance the influence of money and give a fair playing field to all.

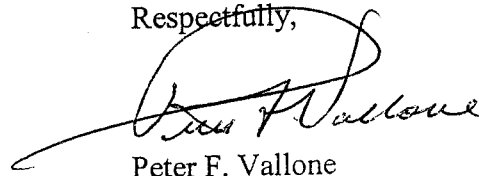
Finally, I want to share with you and the other members of the Board what occurred in my last class at Baruch. I explained the existing law to the 18 year olds in attendance that it was far from an impossible dream for them to aspire to run for office and become a member of the City Council. They need only be 18 and a city resident, and if all 20 in the class decided to give \$5.00 to a candidate of their choice, each contribution would be matched four to one and become \$25.00, and the total would be \$500.00, and if each persuaded four more friends, it would become \$2500.00, and so on.

I wish you could have seen their eyes light up, especially when I explained that members have already been elected as young as twenty one. We all know there is much more involved in becoming an elected official, but money was not now the insurmountable obstacle it would have been without our landmark Campaign Finance Law, and these young students of government were eager to get started.

I ask only that you do not pass any more rules and regulations that not only will deter aspiring leaders to run for office, but defeat the purpose of campaign financing.. While I understand the motivation behind restricting contributions from those who do business with and lobby the government, so long as there is a reasonable limitation on the amount contributed and full disclosure, do not make the time worn mistake of underestimating the public. Let the public decide!

Thank you for your time and attention to the foregoing.

Respectfully,

A handwritten signature in black ink, appearing to read "Peter F. Vallone", written over a large, stylized flourish that loops back to the left.

Peter F. Vallone

cc: Council Members