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Wednesday, December 7, 2005

NEW YORK CITY CAMPAIGN FINANCE BOARD HEARING

TESTIMONY

George N. Spitz

The Campaign Finance Board will have responsibility for only such municipal special elections to fill vacancies as might occur in 2006. Therefore, it will have ample time to carry out the proposals that I am suggesting.

- ◆ **Permit the Campaign Finance Board to Publish Voters' guide covering all contests within the jurisdiction of the New York City Board of Elections.**
- ◆ **Make such time as is required on for carrying out the program below available on the Public Access Cable Channels.**

In 2006, primary and general elections are scheduled for Governor, Lieutenant Governor, and Attorney General, US. Senator, Members of Congress, and State Legislatures.. There is little likelihood that New York State's legislature or the US Congress will adopt a meaningful Campaign Finance Law in the foreseeable future.

Moreover, it appears that the two-fold approach of campaign finance reform focusing on providing candidates with matching funds combined with spending restrictions does not necessarily provide a satisfactory result. In this respect, it appears that campaign finance reform laws based on providing political candidates with public money to spend as they please prove vulnerable to the cynical tendency to evade what is right that permeates the American political culture. In this regard I first refer to a July 26, 1999 *New York Times* article titled: "Wisconsin's once Principled Politics Succumbs to Wily Campaign Finance." Consider the following excerpt:

Political strategists and interest groups in Wisconsin are coming up with tactics to dodge the state's strict campaign finance rules -- tactics not even conceived on the federal level.

The unintended effect of the clean-government mentality is that Wisconsin's stringent laws governing campaign donations and spending have led determined donors to be even more resourceful. This state was a pioneer in offering public subsidies for candidates who limited their spending.

Now, Wisconsin has become a breeding ground for organizations to perfect techniques for bending or evading restrictions on how much political action committees and parties can contribute directly to campaigns.

What happened in Wisconsin is also taking place in New York City. As has been reported in the local media, particularly the New York Sun, Post and Daily News, so-called "bundlers" have accumulated contributions for City Council members and have been rewarded by no-bid contracts in the New York City Budget. Contracting costs have risen from \$2.8 billion to \$7.8. over a 12 year.. Unfortunately this is perfectly legal and will be until the recommendations of the Feerick Committee On Government Integrity are adopted.

It is refreshing that under the mayoralty of Michael Bloomberg, the city has experienced, for the first time since World War II not one scandal. In fact the mayor has cleaned up the Buildings Department which was a noted cesspool under previous mayors.

It is noteworthy that Mayor Bloomberg is the first candidate not to accept matching funds. This proves that the campaign finance program's matching fund component does not prevent corruption legal or otherwise. It is a tremendous burden to the taxpayer and has never provided equity. In 1997, for example, during the race for mayor and former Borough President Ruth Messinger obtained in matching funds \$1,281,407, former City Councilman Sal Albanese received \$254,250 while two minority mayoral candidates, Al Sharpton and Eric Ruane-Melendez obtained nothing.

In that same year's Public Advocate race, the Campaign Finance Board provided Mark Green with \$366,745 for running against a phantom opponent i.e., Roger Green who announced his withdrawal well before the primary. An examination of his expenditures revealed:

- 1) On page 1, there are 3 expenditures of \$99,999 totaling \$798,000 paid to the firm TRIPPI, MCMAHON & SQUIRE, located in Alexandria Virginia. It is unlikely that this money was used to defeat either Roger Green or Jules Polenetsky, his nominal GOP opponent who did not qualify for debates.
- 2) Page 2 largely consists of out of town expenditures more appropriate for a Senate campaign - WHICH MARK GREEN WAS ALSO PREPARING FOR IN 1998.
- 3) Page 3 includes \$15,000 in fees to FISHER, FISHER & BERGER (Henry Berger then on Board of Citizens Union.)
- 4) Page 4 contains \$500 to Marty Mack, made in '96 to Mack when he was running for Congress in Syracuse.
- 5) Page 36 includes hotel bills in Buffalo & Syracuse
- 6) Page 38 contains a \$600 payment to Harry Kresky for petition challenge. Kresky is the election law lawyer for Lenore Fulani's wing of the Independent Party, in control of NYC machinery at that time. Kresky knocked Green's Independent Party challenger in the primary, Ismael Betancourt off the ballot.
- 7) Page 45 Includes a \$500 Payment to Neil Breslin for Senate in Albany New York and a \$1000 Contribution to Newberger for Supervisor (of Great Neck)

It should be obvious that the time is ripe for consideration of new ways of dealing with the deleterious effect of money on the American political system. I submit that concentrating resources on creating a more informed electorate is worth a try. This concept has been praised in the past by

New York Times reporter Sam Roberts during the period he wrote a municipal affairs column for the Times, and the late great Robert Wagner, former Deputy Mayor and Chairman of the non-partisan Citizens Union, who said in a letter to former Federal Attorney Paul Curran ("I think George Spitz's idea is indeed a very good one." In fact, Bob Wagner first proposed one of the components.

Therefore, I propose utilizing the elections of 2006 for trial of an alternate campaign finance plan for elections, preferably under the jurisdiction of NYC's Campaign Finance Board, Board of Elections and in the area covered by the Municipal Broadcasting Corporation. Since spending restrictions are not involved, state legislation is not required and even a new city law may not be required. Costs, if not obtained through City Council appropriation, could be raised from private sources, such as a foundation, particularly if the Municipal Broadcasting Corporation is involved.

A constructive experiment in campaign finance reform that does not involve large sums of taxpayer funds handed over to political candidates, should attract nation wide attention, and if successful could then be adopted by New York City at considerable savings to the taxpayers and might well break down resistance in the New York State Legislature to campaign finance reform.

The suggested plan is basically educational. The rationale is that a well informed electorate is best able to resist campaign image hawking tailored to results of expensive polls, packaged in slick TV commercials or brochure handouts by media gurus. Public funds should not be used to hire pollsters, consultants and election law lawyers skilled in removing opponents from the ballot. New York City's Campaign Finance Program, which provides widely varying amounts (generally favoring incumbents) of so-called "matching funds" is vulnerable to quasi-fraud. This plan provides all candidates, incumbent and challenger with the exact same amount of recognition.

Centerpiece of the educational strategy is an enhanced Voters Guide mailed to party enrollees prior to the primary and general election. The Guide would, in addition to information supplied by candidates contain the following:

- **Listing of candidate appearance time (15 or 20 minutes each, per contestant) on municipal radio and TV.**
- **Set aside at least three cable TV stations for the Video Voter's Guide, which Mayor Bloomberg at my suggestion introduced outside the Campaign Finance Board this year and enhance the Video Voter's Guide with interactive candidate appearances on the municipal cable channels,**
- **Dates and locations of candidate forums scheduled to occur after Voter Guide is printed and mailed.**
- **Phone number and address of candidate headquarters.**
- **Directions for obtaining copies of candidate endorsements and/or related facts from non-profit interest groups, such as Sierra Club, Citizens Union, League of Women Voters, etc., which assemble**

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valuable specialized information but lack resources for blanket mailings.

- **Description of candidates stands on issues deemed important by an impartial committee of academic experts. (This is the suggestion of the late Robert Wagner)**

This program might draw special attention from the media if Mayor Bloomberg urges voters to take advantage of the information provided them I hope you'll join me in encouraging his involvement. There is good reason to believe that he is concerned about the deplorable present situation, particularly the wasteful matching funds which are not distributed equitably through no fault of the Campaign Finance Board but, according to laws favoring incumbents and candidates favored by lobbyists and other special-interests by the meddling City Council, which constantly seeks to make a bad law worse.

Respectfully yours

George N. Spitz