

Opening Statement of Frederick A.O. Schwarz, Jr.
New York City Campaign Finance Board
Fourth Hearing
on the Subject Land of “Doing Business” Contributions.

April 18, 2006

Good afternoon. I am Fritz Schwarz, Chairman of the New York City Campaign Finance Board. On behalf of the Board and its staff, I welcome you to our fourth hearing on the subject of candidates accepting contributions from those who “do business” with the City.

The Campaign Finance Board has been holding a series of hearings to examine the issue of the appearance and reality of influence peddling in City politics. Our first three hearings, held in early 2005, explored the broad subject of pay-to-play politics, with witnesses providing testimony on the scope of the problem and the potential for and types of future regulation; the contracts process and the data maintained on it; lobbyists and their role and the data maintained on it; and the processes surrounding the approval of land use, franchises, concessions, revocable consents, and licenses.

The Board has received testimony from representatives of a wide range of organizations and affiliations, including the Administration, the U.S. Securities and Exchange Commission, present and former City officials, and a number of civic groups located in the City and in other jurisdictions.

More recently, the current Administration has developed public databases—of VENDEX, containing information about who has contracts with the City, and lobbyists

registered with the City Clerk's office. The Board is assisting the Administration in the further development of these and other "doing business" databases to make them reliable, searchable, available to the general public, and, ultimately, compatible with the Board's searchable database of contributions. This effort will ultimately permit disclosure and possibly other restrictions on contributions from those doing business with the City. By itself, the development of these databases will be a major achievement, and the Board hopes that further progress can be made by collaborative efforts among the Administration, the Council, the Board, and concerned citizens.

Many observers believe that the biggest risk in terms of the appearance and reality of undue influence in New York City is in the area of land use. Both the magnitude of the value of land use approvals and the difficulty of quantifying that value make this an appropriate subject of special attention. The Board looks forward to comments on the land use and other issues that are the focus of today's hearings, as well as any additional comments on the general issue of "doing business," especially whether there is any fair and practical action the Board should take to enhance disclosure of contributions from those who "do business" with the City or otherwise attempt to regulate such contributions.

Thank you for your time. Now, I will call our first witness.