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NEW YORK CITY CAMPAIGN FINANCE BOARD  
PUBLIC MEETING  
held on Wednesday, December 2, 2009  
9:10 a.m.  
40 Rector Street  
New York, New York

1 P R E S E N T:

2 JOSEPH P. PARKES, S.J., Chairman

3 AMY LOPREST, Executive Director

4 KATHERYN C. PATTERSON

5 ART CHANG

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Finance

1 THE CHAIRMAN: Good morning. This is the  
2 December 2nd session of the Campaign Finance Committee.  
3 would like to announce that we have written testimony  
4 Inez Dickens and John Siegal that will be entered into  
5 record. If anyone wants copies of those, we can make  
6 available.

7 MS. LOPREST: As with all written statements,  
8 they will be posted on our Website.

9 THE CHAIRMAN: Secondly, could I remained  
10 everyone, including myself, that the use of cell phones  
11 not allowed in the hallway outside.

12 Our first witness will be James Pocchia.

13 MR. POCCHIA: Good morning. I'm very happy to  
14 be at this hearing this morning. My name is James  
15 I was Democratic candidate for City Council in the 50th  
16 Council District, which is one of the three council  
17 districts in Staten Island. This was my first run for  
18 public office and my first experience with Campaign  
19 Board.

20 I'm here today to tell you that the overwhelming  
21 majority of my comments are positive in terms of my  
22 experience with Campaign Finance Board. I found it to be

23 run efficiently, professionally, cooperatively and in  
24 supportive fashion, and I'm very pleased with the overall  
25 experience that I had with the Finance Board.

1 I also want to take the opportunity to particularly  
2 recognize one of the individuals that I worked with, the  
3 campaign coordinator or my liaison with the Campaign  
4 Finance Board, Elizabeth Carmona. She did a tremendous  
job  
5 of activating my campaign and the individuals helped  
6 complete the process. She was extremely professional,  
7 courteous, helpful, supportive and just did an  
outstanding  
8 job throughout the process for me.

9 The main reason I'm here to testify today is with  
10 regard to the debate format, and there is a change that I  
11 think is necessary with the rules that apply to city-wide  
12 candidates that I would hope the board would consider  
going  
13 forward. That is currently, to my understanding, it is  
not  
14 mandatory for any City Council candidate to participate  
in  
15 a debate leading up to a general election. I think that  
is  
16 a big mistake. My understanding is that we require  
17 candidates for mayor, comptroller, and public advocate to  
18 participate, but not city candidates.

19 My opponent and I both received the maximum funding  
20 from the Campaign Financing Board, something in the range  
21 of eighty-eight thousand dollars each. We took over a  
22 hundred seventy-five thousand dollars in taxpayer money  
to

23 participate and run our elections. I think when you take  
24 that kind of sum of money from hardworking New Yorkers,  
25 they have a right to know where the money is going and

what

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of

of

this

1 the message is from each of the candidates. I realize  
2 may be an expense associated with having all city-wide  
3 council candidates participate, but I think it's more  
4 justified.

5 In fact, my particular race, we had an offer from  
6 College of Staten Island to host a debate with no cost  
7 associated to either campaign or to the City of New York.  
8 They were going to moderate it and bring in individuals  
9 were going to ask questions. They were going to provide  
10 the forum and we could have had a debate.

11 I know there is a great interest in the leveling the  
12 playing field in all our city-wide elections in the City  
13 New York and requiring candidates to participate in a  
14 debate is one of the ways that that can be done. My  
15 opponent, a long-term incumbent, chose not to accept any  
16 my offers to participate in the debate, and that was an  
17 advantage for him and disadvantage for me.

18 I would hope that if I have the opportunity to come  
19 back before this board as an incumbent, that I would take  
20 the same position that I'm taking today, that it would be  
21 beneficial to have all candidates for City Council  
22 participate in a debate and maybe the first time that

23 program is changed it could be done to not affect  
24 primaries, but only the general election after  
individuals  
25 have demonstrated the eligibility by gathering the



1 sufficient number of supporters and raising sufficient  
2 amount of money, and then you have an individual who is  
on 3 major party line, maybe at that point, there could be a  
4 requirement that there is a debate leading up to the  
5 general election as a first try.

6 But, the race that I was in, I was looking to  
7 represent a hundred forty thousand people. That is the  
8 population in the district that I wanted to represent. I  
9 can't see how having the privilege to represent a hundred  
to 10 forty thousand people could come without the obligation  
11 stand up in front of them and tell them what you're about  
12 and what your platform is. So I really think it's most  
13 important to me to be here today to ask you to consider  
14 that going forward and to use some creativity in finding  
a 15 way that it is not a financial burden to our city or to  
our 16 taxpayers, but that it does come to fruition at some  
point 17 in the future.

18 Some other brief comments. I thought the electronic  
19 communication between CFB and our campaign was excellent.  
20 It was an excellent way to communicate and it should be,  
21 going forward, a regular part of the process. There were  
22 no glitches in the program. It was fantastic, and the

roots

23 ability to file online was a big advantage to a grass

rather

24 campaign. I happened to take the time to come here

25 than send somebody with an expense associated to that. I

7

I 1 thought the six dollars one matching was appropriate and  
of 2 thought the threshold, the two numbers, both the number  
was 3 required supporters, seventy-five, and the dollar value  
4 appropriate.

it's 5 The video voter guide, my last comment, I thought  
first 6 an excellent program. Again, it's an opportunity for  
incumbents 7 time candidates and individuals running against  
8 to try to level the playing field. I thought the other  
9 mistake that if you're going to spend the kind of money  
10 that was spent on the video voter guide, there should be  
it's 11 more emphasis on marketing and letting the public know  
12 available. I am sure you heard that before. If we are  
have 13 going to spend the money and effort into doing it, we  
14 to spend the money to let the voters know it's available  
15 for them to access, so voters that I spoke to didn't know  
16 that it was available for them to access.

working 17 Thank you for your time and I look forward to  
18 with you in the future.

any 19 THE CHAIRMAN: Thank you very much. James,  
Good 20 questions? Thank you. Now we have Stephen Kaufman.

21 morning, Steven, welcome. Thank you for coming forward.

22 MR. KAUFMAN: I want to thank you. I believe  
23 you have gotten a copy of my statement.

24 THE CHAIRMAN: Yes.

25 MR. KAUFMAN: I want to thank you for the

Country  
Board

1 opportunity to hear me out. I have had many years of  
2 public service in political campaigns, primarily in the  
3 Bronx, the East Bronx, Pelham Parkway, Throgs Neck  
4 Club, as a member of the City Council and State Assembly,  
5 and candidate for State Senate. I chaired the Assembly  
6 Elections Committee and assisted the Campaign Finance  
7 negotiations with the State Board of Elections. That is  
8 when Monsignor Hale was the chairperson. They sought my  
9 assistance to make the computer operations compatible,  
10 which it was able to do, despite opposition.

sense  
when

11 Most of you have not been on the Campaign Finance  
12 Board for many years. It's important that you gain a  
13 of the inconsistency of some CFB decisions. At a time  
14 courts throughout the nation, including the United States  
15 Supreme Court, are carefully examining campaign finance  
16 laws, particularly with regard to political speech, the  
17 goals of consistency and fairness must be diligently  
18 pursued.

19 Fundamental to achieving these goals, it is a timely  
20 and evenhanded application of appropriate CFB rules,  
21 procedures and decision making. For example, during the  
22 recently completed mayoral election, CFB responded to a  
23 complaint concerning Michael Bloomberg's campaign by

24 carefully reviewing the information, clarifying the  
25 relevant legal standards and appropriately applying its

1 decision in a prospective manner only in order to avoid  
2 acting as an ex post factor restriction.

3           Unfortunately, the Campaign Finance Board has, on  
4 occasion, failed to act with the same level of judicial  
5 conduct and fairness in the past. During my 2005  
campaign,  
6 the board completely ignored its own precedent, and also  
7 ignored the fact that no specific law, rule or  
regulations  
8 existed on the point in question when it decided to levy  
an  
9 onerous fine against my campaign. As a candidate, a  
10 citizen and an attorney, I was deeply distressed by this  
11 obvious abuse of power.

12           The board's logic and holding in the Bloomberg case  
13 was completely different from that applied to my  
campaign.  
14 During the course of my 2005 campaign for New York City  
15 Council, a dispute arose when the CFB alleged, in  
complete  
16 contradiction of its own precedent, without any specific  
17 rule or statute in support, that my campaign exceeded the  
18 primary spending limit as a result of actions involving  
19 traditional activities involving political speech  
during  
20 the petitioning process. A heavy fine was levied.  
21 Incidentally, my campaign was deprived of funding to  
which  
22 it was entitled.

referring 23

Indeed, former CFB member Dale Christensen,

24 to the Kaufman campaign noted "After a thorough review of

25 the decisions, rules and applicable law, I am compelled  
to



1 conclude that there is no prior rule or decision directly  
2 on point rendered by this board nor statute enacted by  
the  
3 legislature that can reasonably be construed to have been  
4 defined as non-exempt. The arguments to the contrary do  
5 not withstand scrutiny. They also have the wholly unfair  
6 effect, in the absence of a clear holding, of changing  
the  
7 rules in mid-stream."

8 Mr. Christensen found that the Kaufman decision was  
9 wrongly decided. What possible justification could there  
10 be in providing totally different logic and legal  
11 reasoning? If the Bloomberg case truly reflects a  
positive  
12 reflection of the CFB's thinking, not previously  
clarified,  
13 why should not that standard be applied to my case?  
There  
14 is no reasonable excuse for the board to continue its  
15 effort to collect. While there may be an institutional  
16 inclination to take a case closed approach, there are  
clear  
17 and compelling reasons not to do so.

18 First, the Bloomberg decision was a definitive  
19 determinatoin of a no violation made in the heat of the  
20 mayorial campaign. It makes a sharp departure from the  
21 adverse pre-election enforcement actions the board took  
22 against participating candidates in the four preceding

sends

23 mayoral elections, from 1993 to 2005. A ruling in the  
24 pre-election context is more than just precedent; it  
25 a message about compliance and fairness when public

1 attention to such matters are at their peak. It is a  
2 lesson given by the board when the stakes are the  
highest.

3 That's because you have chosen to act, knowing that a  
4 pre-election CFB determination can easily be seized upon  
as  
5 a campaign issue used to influence voter behavior.

6 Pre-election CFB enforcement diverts precious time and  
7 resources away from campaigning, which can also affect  
the  
8 outcome of the election. That all was true in my case.

9 This year, the CFB took two months to resolve the  
10 allegations against Bloomberg. In my case, the contrast,  
11 the board rushed to reach conclusions instituting  
multiple  
12 overlapping proceedings on the same issue and all in a  
13 context complicated by other pending cases and failure to  
14 adhere to due process.

15 In my case, the board's initial error was to reach a  
16 definitive conclusion before the election, but subsequent  
17 to when the action occurred. That error was compounded  
by

18 its post-election refusal to take a fresh look at the  
19 original substantive determination. In sharp contrast to  
20 pre-election decision in this year's Bloomberg case  
21 reflected temperate deliberation. The CFB's failure to  
do

22 so in my case and subsequent refusal to address the  
matter

23 de novo was sharply different and constituted an obvious  
24 injustice.

25 Second, my case was not only a matter of the board

1 failing to clarify the law; the board completely  
2 contradicted its previous decision without warning,  
3 deliberation or notification. It ignored the precedent  
set  
4 four years earlier when the CFB made a totally different  
5 determination on the indential issue. During that  
6 proceeding, the candidate's counsel urged the board to  
7 clarify its legal standard prospectively. This was in  
the  
8 2001 election following a complaint and investigation  
9 against the Hevesi mayoral campaign. The board upheld  
10 virtually all the exempt petitioning claims, including  
all  
11 exempt claims for the independent nominating petition  
12 carriers, notwithstanding the carriers' distribution of  
13 literature -- a first amendment fact pattern identical to  
14 mine, but with a different board decision.

15 The Hevesi determination was precedent, which the  
16 board didn't overturn or limit in the following years. I  
17 had every right to rely upon it. Indeed, if candidates  
18 cannot rely on the board's own decisions and precedent,  
19 then no candidate, no matter how scrupulous he or  
20 structures his or her campaign, can ever be confident  
that  
21 they are not in violation of some spontaneous, arbitrary  
22 and capricious change in a legal interpretation and  
23 attitude. This will strongly discourage candidates from

24 participating in the CFB program or from running at all.

ability 25 It has a powerful chilling effect on the rights and

1 of individuals to exercise their rights and run for  
2 office.

City

3 I'm almost done. Third, the law on exempt  
4 expenditures was changed in 2007 by Local Law 34. The

that

5 Council made this statement in deciding to repeal the  
6 exemption for petitions: "The council has heard reports

in

7 the board, in applying the law, has offered inconsistent  
8 rulings that have caused uncertainty for campaigns making  
9 it difficult to budget and spend effectively." That was

10 the New York City Council's report.

case

11 The Council's action made the CFB's decision in my  
12 case a legal dead end. The outcome is now irrelevant for  
13 future cases because the same legal question will not  
14 appear again. Dropping the fines and penalties in my

rulings

15 would be a statement that the board recognizes that  
16 candidates should not be held responsible where its

the

17 are inconsistent, just like the holding in the Bloomberg  
18 case relieves the candidates from responsibility where

19 board has not been clear. This is vital to encourage  
20 participation by future candidates.

21 As our federal courts review the entire rationale of  
22 campaign finance regulation, the board must take steps to

23 ensure its actions do not violate constitutional rights.

24 In recent cases, the Court has clearly ruled that  
spending

25 limits are viewed with great skepticism. The board is on  
a



1 collision course with the Court, due to the CFB's stance  
2 that the Act's spending limit should be construed  
broadly,  
3 whereas the Act's exemption from the limit should be  
4 construed narrowly. This directly contradicts the  
Supreme  
5 Court's view that restrictions on first amendment free  
6 speech, such as spending limits, must be narrowly  
tailored  
7 to further a compelling interest.

8 A statutory exemption means no limit applies to an  
9 expenditure that is exempt, regardless of whether the  
10 candidate is participating and has received public funds.  
11 Where there is a close question of whether a particular  
12 expenditure is subject to a spending limit, the board  
must  
13 heed the Supreme Court's warning where the first  
amendment  
14 is implicated the tie goes to the speaker not to the  
15 censor.

16 I have suffered twice at the hands of the CFB. In  
the  
17 first instance, campaign funds were inappropriately  
18 withheld and seriously affected my ability to campaign  
and  
19 thus contributed to my defeat. Secondly, by fining me  
and  
20 imposing the penalty, a year after the election was  
21 concluded, I was left without an opportunity to resolve

22 this issue before the fact and was relegated to judicial  
23 remedies where administrative remedies were no longer  
24 viable, and damage to my campaign was irreparable. The  
25 stated fines against my campaign of eighteen thousand one

doubled  
my  
on  
to  
regulation.

1 hundred fifty-two dollars were in reality more than  
2 by the CFB withholding of \$18,972 in matching funds that  
3 campaign was eligible for. Thus, the total financial cost

4 A my campaign from CFB's decision which was not based  
5 any violation of black letter regululation was clearly  
6 inconsistent from its own prior rulings, was not the  
7 eighteen thousand, but was thirty-seven thousand one  
8 hundred twenty-four dollars. In addition, the decision  
9 withhold funds was yet another inappropriate CFB decision  
10 not based on any stated procedure, precedent or

11 Lastly, the fines and penalties levied against my  
12 campaign affected not only me personally but also my  
13 treasurer, who is a volunteer, as most people serving in  
14 this capacity are in campaigns at this level of politics.  
15 Her credit rating has been damaged as a result of this  
16 judgement. She did nothing wrong, always during the

17 of my campaign acting within the law as she and  
18 it and had interpreted to her by lawyers who are expert  
19 these fields of jurisprudence. What message does this  
20 to average citizens who want to be involved in the

perhaps

21 electoral processno? The attempt to punish her is  
22 the worst and most unjustifiable aspect of this entire  
23 matter.

24 I respectfully come before you and request that you  
25 only offset the fines and penalties against the fund

offset  
twice  
me  
think

1 withheld from my campaign in the same manner as the  
2 done for Mr. Ferrer. Thank you for listening me. I come  
3 before you with the hope that you can, unlike Ferrer, you  
4 will listen I just feel I've been whacked in my head  
5 and twice unjustifiably. Its like I was somebody playing  
6 games with books. My treasurer was a teacher at Sacred  
7 Heart in the Bronx. I had a CPA, nice guy, but he cost  
8 a fortune. I'm a lawyer and I didn't understand. I  
9 it's wrong to be penalized. It's a big fine.

and

10 I will make sure my treasurer is not punished, but  
11 there are people that are where they may not be able to  
12 hire a lawyer. My CPA, my treasurer was a volunteer. I  
13 think you have to do justice and show her mercy and try  
14 give a guy a from the Bronx a break.

15 THE CHAIRMAN: Any questions for or against?  
16 Ricky, are you ready? We don't want to rush you, but we  
17 have a little hole in the schedule here. Good morning,  
18 welcome and thank you for being with us.

19 MR. TULLOCH: Ricky Tulloch, from the Committee  
20 to Elect Ricky Tulloch.

21 THE CHAIRMAN: Thank you for coming. You know  
22 every four years, the Campaign Finance Board is required  
by

23 statute to re-examine what has happened in the past  
24 election cycle to learn some lessons and so propose some  
25 possible changes to the City Council. So we invite

with 1 witnesses to come and tell us about their experience,  
2 the CFB, and in particular, it's very important for us to  
3 hear from candidates. Thank you very much for coming.

4 MR. TULLOCH: Well, let me just say a pleasant  
5 good morning to everyone. You know, well, when I was  
6 asked if I would be willing to come in and testify, I  
7 it's my duty to actually do so because, you know, I have  
8 be honest with you, that my experience with CFB was  
9 a positive one. You know, I ran in 2007, in the special  
10 election, and during that time, well, you know, it took a  
11 little long to recruit. So that was due to us.

12 But in this election cycle, I thought that, you  
13 it was excellent and I think that it's important we have  
14 the CFB and Finance Campaign Board in that it levels the  
15 playing field. I also think that the increase from four  
16 one to six to one levels the playing field more. So  
17 someone running against an incumbent doesn't have the  
18 access to the funds to be able to run a campaign. This  
19 becomes more important, as I think you know, I have to  
20 that from my opinion, it is positive. It's, I just think  
21 about, you know, my experiences were positive.

22 THE CHAIRMAN: Thank you very much. Any other

23 discussions for us? Actually, well, in terms of, as I  
24 said, except for the last, for the special election,  
where  
25 it took a long time to completely audit the property, I



it  
now,  
that  
process.

1 think that portion of it, maybe you might need to tweak  
2 a little bit to speed that up. In my experience right  
3 in the past election, that is not the way. But I know  
4 within the next couple of -- we're due to provide the  
5 necessary information, but, you know, for those folks who  
6 are the newcomers to the election, to the election

7 I think that especially for those guys who might owe  
8 consultants and other folks funding, it would be nice to  
9 speed up that process, but from my prospective, this time  
10 it was good.

11 THE CHAIRMAN: Thank you very much. Any  
12 questions for or against?

13 MS. LOPREST: As a person that ran a both a  
14 special election and then again in a regular election, do  
15 you have any opinion about how the threshold to qualify  
16 for matching, funds, whether it is too high or it is  
17 appropriate, both in the special election and in the  
18 regular election,

19 MR. TULLOCH: In a special election, because  
20 this is a such a short period of time, the threshold  
might  
21 be a little high. In terms of, you now, being able to  
get  
22 not necessarily the seventy-five individuals from the

23 community, but the amount of five thousand dollars amount  
24 but again, we're talking about a short election.

25 As far as the regular primary, I think that it's

1 reasonable.

2 MS. LOPREST: I mean, also in the special  
3 election, let's count, less money only counts towards the  
4 threshold as in the regular election because a matchable  
5 contribution is half. So in your case, it was two  
hundred  
6 fifty was the maximum, so only a hundred twenty-five  
7 counted. But in a regular election, you know, a larger  
8 amount, did that affect your --

9 MR. TULLOCH: In the special election, again,  
it  
10 became a little more strenuous for the campaign. But in  
11 order for you to qualify, in order to make the threshold,  
12 you have to actually spend more time trying to raise  
funds  
13 to make that. When you have a shorter campaign period,  
in  
14 general -- regular election, then it's not much a  
problem,  
15 but I think that maybe you might just need to half that  
16 instead of saying five thousand, maybe it should be  
17 twenty-five hundred dollars for you to make it, then it  
18 would allow more folks to participate and basically would  
19 allow, you know, maybe other candidates that are not as  
20 heavily financed by our -- supported by maybe the unions  
21 and so forth, give them a chance. In not all cases, is  
it  
22 a candidate that is supported by these organizations,  
that

23 are always the best candidate, so it would level the  
24 playing field.

25 MS. LOPREST: Thank you.

1 THE CHAIRMAN: Thank you very much, Mr.  
2 Tulloch. I appreciate it.

3 MR. TULLOCH: Enjoy your day.

4 (Time noted: 10:25 a.m.)

5 THE CHAIRMAN: Mr. Sang, are you ready?

6 MR. SANG: Good morning, Bernard Sang, the  
7 acting treasurer of Friends of Kevin Kitch.

8 THE CHAIRMAN: Thank you very much for coming  
9 before us this morning. You know the purpose of this.  
10 It's a quadrennial evaluation of the procedures of the  
11 Campaign Finance Board. We are particularly interested  
12 hearing from candidates and their staffs about your  
13 comments and discussions.

in

14 candidates,

15 District 19, was a non-participant in the matching funds  
16 program, so our prospective will be slightly different  
17 some of those who probably did go through those set of  
18 procedures. I think my feedback generally surrounds a  
19 couple of areas. It surrounds the process of the C-Smart  
20 candidate report software that was used. C-Smart  
21 it was a program used to track our expenditures and our  
22 contributions.

than

program,

23 I do have an -- I do understand there is going to be

there

24 focus group subsequent to this hearing on how I guess

25 could be improvements made to that system in terms of how

1 data is transmitted and submitted, so I do have some  
areas  
2 that I think would be useful under that particular  
3 program. I think overall, our experience was very  
positive  
4 with the Campaign Finance Board. Our liaison was very  
5 responsive and efficient. We were very pleased with  
that.

6 Generally speaking, there were a couple of areas  
where  
7 there was under -- that was a lot of the nature of the  
8 conversations and dialogue that we had with our CFB, based  
9 on clarification on documentation, and what was required  
in  
10 terms of the contribution documentation. Really what we  
11 needed to maintain from an audit perspective for expenses  
12 as well, I think.

13 I think our district's -- our campaign race had some  
14 unique features we exchanged dialogue about. If we had  
an  
15 auction or corporate contributions, through an auction of  
16 sports tickets or some sort of silent auction, at that  
17 dinner function, how would we treat that, and whether we  
18 could or could not advertise that in the brochure  
19 information that went out. So there was a little bit of  
20 confusion surrounding the items like that. And again, I  
21 think more specifically, we had a number of contributions  
22 that came in through our post office box that didn't come

had 23 with the affiliated contribution form executed. So we

24 a lot of conversations around how do we chase down the

25 required documentation and what, from a legal  
perspective,



1 was the documentation that we really required, from our  
2 campaign prospective.

3           Prospectively, we thought the contribution  
expenditure  
4 limits were appropriate. We were able to actually, in a  
5 situation where we tripped the tier one limit in terms of  
6 contributions, and actually at our last disclosure number  
7 fifty, I think we technically, from an expense point,  
8 tripped tier two as well. But there were a number of  
9 discussions internally and with the CFB on how to manage  
10 those tier programs and how they worked.

11           So, I understand that there are a lot of people in  
the  
12 program and you have a very short period of training that  
13 we only attended one training session prior to the  
campaign  
14 kick off. But it would be -- extent that may have been,  
15 maybe it was available; I wasn't aware of it. Maybe  
there  
16 were more subsequent or detailed or advanced training  
that  
17 was available that might have been, that might be useful  
18 for certain campaigns in the future. I think that is  
19 really at, I think that is really the least offset the  
20 areas that I had just wanted to touch on.

21           With regard to the procedures and reporting, I'll  
22 probably have some more input on that aspect of it in a  
23 subsequent session.

24 THE CHAIRMAN: Thank you very much. Bernard,  
25 any questions from staff?

1 MS. LOPREST: I have some questions about  
2 tripping the bonus. From your perspective, was the  
trigger  
3 at a fair level?

4 MR. SANG: It's a little bit of a subjective  
5 question. I think it was fair. I'm not sure. The  
matrix  
6 in terms of how the tiers are calculated, but given the  
7 dynamics of why and how the bonuses were implemented, we  
8 believe they're reasonable.

9 MS. LOPREST: You may not be able to answer  
this  
10 question. Was there something that was making -- maybe  
you  
11 don't want to share this publicly, but we will have an  
12 anonymous survey if you want to answer the question on  
13 that. Why did the candidate make a decision to be a  
14 non-participant rather than a participant? If there were  
15 something about our procedures, that would be helpful to  
16 know how we can change thing.

17 MR. SANG: It was kind of a two-fold. It was  
a  
18 personal decision on one level, and at a campaign we  
19 thought it was generally in the best interest that to the  
20 accident that we didn't use public moneys to run our  
21 campaign, that it was in the interest of financial  
interest  
22 of our own campaign to not use that taxpayers' money to  
run

23 the campaign.

24 In the secondary aspect, is really just financial  
25 restrictions that come with the matching funds program.

1 We set up a campaign budget before we went into this  
2 election, and the budget that we came up exceeded those  
3 limits, so we knew if we were to truly hit our targeted  
4 budget, we would end up tripping those things, so we  
5 didn't want to be constrained by the confines of the matching  
6 program.

7 THE CHAIRMAN: Thank you very much, Bernard.

8 I would like to call Mr. Jesse Schaffer. Jesse is director  
9 for Doing Business Accountability Project.

10 MR. SCHAFFER: Good morning, very good to be  
11 here. My name is Jesse Schaffer, and I'm director of the  
12 Business doing business accountability project. The Doing  
13 Accountability Project was formed after the passage of  
14 Local Law 34 to administer the responsibilities of the  
15 mayor's office under Local Law 34, specifically the doing  
16 first business database. The doing base DBA project has had  
17 three major responsibilities under Local Law 34. The  
18 and largest is the development, maintenance of the doing  
19 business database. It is a list of the organizations and  
20 individuals who have certain business dealings with the  
21 City of New York.

22 The second is to develop and administer a procedure  
23 for an organization or individual that believes that it

24 should not be listed in the database, can apply for  
25 removal, and the third was to promulgate rules and

1 administer procedures so that people that law should not  
2 apply to them at all could ask to be waived from  
inclusion 3 in the database.

4 I'm pleased to report that all three of these  
5 responsibilities have been successfully implemented. To  
6 implement the latter two a removal procedure and a  
waiver 7 rule, we introduced two one page waiver forms that the  
8 applicant can use. To date, there have been no requests  
9 for waiver under the law and a total of thirteen requests  
10 for individual organizations to remove themselves, and we  
11 have granted all thirteen of these.

12 The major responsibility is, of course, the creation  
13 of the database. Here I have a little bit more safety.  
14 Local Law 34 was enacted in July 2007 that called for the  
15 creation of the database and certification of the first  
16 phase of it in six months, which was a rather significant  
17 undertaking. In order to create database, DBA had to  
18 obtain information from thousands of organizations and  
tens 19 of thousands of individuals that would be covered by the  
20 law, and sift through hundreds of thousands of  
transactions 21 that might be covered by the law.

22 It would be a big process no matter what, but it was  
23 notable for three particular reasons. The first is city

spend

24 procurement rules generally don't apply to a lot of the  
25 local agencies covered by Local Law 34, that actually



1 quite a bit after taxpayer money. School construction  
2 authority, NYCHA, HHC, as well as a lot of the other  
3 smaller public benefit corporations and governmental  
4 entities.

5 We had to come up with a system that was flexible  
6 enough to cover all of their recordkeeping systems and  
7 procurement systems. What we didn't want to do is have  
8 separate systems for everybody. We wanted one system.  
9 That was a significant challenge. Second, in addition to  
10 the procurement transactions, all sorts of contracts,  
11 franchise concessions, Local 34 covers grants, economic  
12 development agreements, debt and pension investment  
13 contracts, real property transactions, city charter land  
14 use actions as well as lobbying activity.

15 As we went in agency to agency, we determined  
16 computerized record keeping systems did not exist in some  
17 cases, or did not contain the data that we needed to  
create  
18 the database. We had to work with agencies to create  
their  
19 own systems to collect the data that we needed to give to  
20 us.

21 Last, under Local Law 34, it's not just the award of  
22 transactions and agreements that are considered doing  
23 business. Local Law 34 considers a business dealing to  
24 begin from the moment it is proposed on or applied

25 for, which means you have to have a system to collect

1 information at the time of the proposal or at the time of  
2 the application, and such a system did not exist.

Period.

3 There were some agencies that collected some of that data  
4 in some form at some time, but no centralization  
5 whatsoever. We had to create a system entirely from  
6 scratch in these cases. We were able to do the first

phase

7 of that within the designated six month period and roll  
8 the next phase at eighteen months as required by law.

9 collected

It's been almost two years. To date we have  
10 more than thirty-three thousand data business forms or  
11 questionnaires containing information about individuals

or

12 organizations that have business with the city covered by  
13 law. The database contains approximately eight thousand  
14 organizations and thirty-five thousand individuals based

on

15 just under sixty thousand covered active transactions  
16 are considered business dealings under the law.

17 as

The law requires that the database be maintained so  
18 to ensure its reasonable accuracy and completeness and be  
19 updated no less frequently than once a month. To meet

the

20 mandates requires constant flow of information between  
the

since

21 entities, agency and DBA project, and at present, most of  
22 the activity is conducted on paper and spread sheets

23 that is what we to do to get the information we need.

24 The major role in coming here is to contemplate the  
25 transactions, to make it easier for the agencies and

1 organizations that need to fill out doing business forms.  
2 As the board is well aware, the goal here was not just to  
3 create a database, but to create a database that Campaign  
4 Finance Board could implement and enforce in order to  
avoid  
5 the appearance or actuality what is commonly to as  
6 pay-to-play activity, the connection between campaign  
7 contributions and governmental decisions. The DBA  
8 maintains the database, but to transmit that data to CFB,  
9 the database was designed by DOITT, and the DBA worked  
10 closely with DOITT and CFB staff.

11 As you also know, under the law, the board has a  
very  
12 limited amount of time to apply those contributions and  
13 matching fund provisions, so the development of a system  
14 that, develops database system that delivers punctually  
was  
15 a key requirement. I've been impressed by the,  
throughout  
16 this process, I have been impressed by the  
professionalism,  
17 diligence and congeniality of the CFB staff, led by  
18 director of special compliance Peri Horowitz. The  
19 successful implementation of the database was a huge  
20 collaborative project that required a lot of time,  
21 expertise and effort by all concerned, and I was glad to  
22 have these people as partners.

23 With the 2009 election cycle drawing to a close, I

24 look forward at the start of the first full cycle to be  
25 conducted entirely under Local Law 34 and continue to

work

to  
City  
1 with the board and other interested parties to continue  
2 improve this unique and forceful facet of the New York  
3 campaign finance program. I would be happy to answer  
4 questions.

5 THE CHAIRMAN: Thank you, Jesse. Obviously, a  
6 major undertaking and accomplished quite nicely. Any  
7 questions? Amy?

8 MS. PATTERSON: I had one.

9 THE CHAIRMAN: Go ahead.

a  
the  
10 MS. PATTERSON: When you -- when the city has  
11 competitive bidding situation, the people who respond,  
12 entities that respond to the RFP, would basically be put  
13 into the doing business database?

14 MR. SCHAFFER: For RFP yes, for competitive  
15 sealed bids, no.

16 MS. PATTERSON: For RFP they go into the  
17 database under the RFP. What happens to the entities and  
18 controlling persons who don't get the bid?

19 MR. SCHAFFER: Under the law, proposers or  
20 applicants stay on the doing business database for one  
year  
or  
21 from the date of the proposal. The successful applicant  
22 proposer gets the contract and will stay on, and again,  
it

23 varies on the transaction, but generally speaking for the  
24 duration of the contract, plus an additional year.

25 MS. PATTERSON: It also covers not-for-  
profits?



1 distinction

MR. SCHAFFER: Correct. There is no  
2 made in the law between not-for-profit and profit.

law

MS. LOPREST: It was a pleasure working with  
3 Jesse and his staff and really an amazing amount of work  
4 went into this, and it's kind of a small miracle that it  
5 was done as well as it was. This is one aspect of the

the

6 we were actually challenged in the law to reflect on and  
7 make comments on in our post-election process, but I was  
8 wondering if you, as administrator, had any opinions or  
9 comments right now about any aspect of the law, whether

under

10 definitions are appropriate, whether they're over or

types

11 inclusive. Whether there are whole classes of other

classes

12 of transactions that should be included, or whether

13 of transactions that are included that make no sense to  
14 include.  
15

this

MR. SCHAFFER: We are in the process of doing  
16 an analysis of that, whether the law can be strengthened.  
17 I look forward to sitting down with the staff, but at  
18 point, no, it would be premature.  
19

the

MS. PATTERSON: How accessible is the DBB to  
20 public?  
21

name

22                   MR. SCHAFFER:    An interesting question to ask  
23    today.  Right now, there is such a thing as a doing  
24    business database online.  The public can look up the  
25    of an entity or individual, who is that on the database.

1           As of tomorrow, the doing business database will be  
2           online in a different format as part of a project called  
3           the transparency program, and both of these are on  
4           NYC.gov.

5                     THE CHAIRMAN:    Bob Friedrich.

6                     MR. FRIEDRICH:   Bob F-R-I-E-D-R-I-C-H.  Thank  
7           you for having me.  I was a candidate.  I was also the  
8           treasurer.  We had a grass roots campaign in Queens.  We  
9           actually did pretty well in the election, but we ran  
10          against an incumbent.

11                    I have a ton of comments to make.  On the last  
12           speaker, on our campaign, we had a few contributions from  
13           extremely low individuals and non-profits that were on  
the  
14           list, and their contributions are not matchable, and I  
15           think that is a real problem with that.  That that  
database  
16           has very low level employees in various areas.  They're  
17           using definitions, in fact, one of the individuals was  
18           actually laid off from the job, I think was the American  
19           Red Cross.

20                    I think there needs to be a lot of work.  I think if  
a  
21           company doesn't get a contract to keep the company on for  
a  
22           year, is unfair for people that work for the company.  
And

23           I want to mention that contribution is unfair.  I'm an

24 accountant, so I'm familiar with the compliance work. I  
25 will give you some comments that I have. I think

1 incumbants already very an unfair advantage raising  
money,  
2 getting press coverage, getting the message out. I don't  
3 think they should be entitled to matching funds at all,  
or  
4 at best, a lower level.

5 I think if the local -- if you want to create -- an  
6 incumbent can raise an incredible amount of money in a  
7 short period of time. If you look at where they're  
raising  
8 from, they're raising it from individuals in the  
corporate  
9 and non-profit entities. It's pay-for-play. It's going  
10 on.

11 By the Campaign Finance Board providing equal  
matching  
12 funds, you create -- equal matching funds, you are  
creating  
13 an unequal playing field. I suggest incumbents do not  
get  
14 matching funds, and number two, if they get matching  
funds,  
15 they should be getting half. I think it's a clear  
16 advantage to incumbency, and I don't think it's clear  
that  
17 in your campaign finance laws, the level of detail for a  
18 twenty thousand expenditure was the exact same as a ten  
19 dollar pizza. I think there is a real problem with that.  
20 I think that needs to be addressed. I think that needs  
to

at. 21 be common sense instilled in the way checks are looked

Friedrich 22 My campaign, my registered campaign with Bob

23 2009 NYC some folks in the community write a check to

24 friends of Bob Friedrich or Bob Friedrich Campaign or

25 something that is not exact, even though a card comes in

check,  
it's  
it  
is  
down  
and  
by

1 signed by the individual, the bank would accept the  
2 accepted in the campaign, but your auditors would say  
3 unacceptable because it wasn't the exact name. I think  
4 would be a bit of that, a bit of common sense needs to be  
5 input into the process. Clearly someone is filling out a  
6 contribution form, making out a check for twenty-five  
7 dollars or fifty dollars to Bob Friedrich, their intent  
8 for the campaign.

9 To have a grass roots campaign go back and track  
10 these individuals is burdensome to the campaign. We  
11 received two money orders with sequential numbers. They  
12 came in from a husband and wife who went into the bank  
13 got them. I had to make two phone calls to get them to  
14 over turn that. I think common sense needs to be part of  
15 the process. In order to submit a contribution between  
16 husband and wife on a single check, it has to be signed  
17 both. I think that is silly. I think a check that has  
18 both individuals on it can be signed by one and the  
19 contribution card can be defined how they're splitting  
20 that. I don't see where that serves a purpose. The  
21 contribution card signed by both individuals can define

should

22 what the split is. If they made a contribution that

back

23 be a split, but they both didn't sign it. I had to go

24 and get documentation on how it was to be split.

25 Speaking of a grass roots campaign, I think the



1 Campaign Finance Board, I think, by the way, I think they  
2 did a very good job. Adam was my rep. He was probably  
the  
3 best I have every seen in any city administrative agency.  
4 He would always get back to you and follow up. The level  
5 of conversation going back and forth was excellent, but I  
6 think campaigns like mine, which was really a grass roots  
7 campaign, were treated exactly the same as a campaign by  
a  
8 Bloomberg. We don't have the money or resources.

9 I think you really need to have an understanding of  
10 that the campaigns are different. Let me tell you what  
I'm  
11 talking about. My competitor hired the highest priced  
12 consulting firm in the business. They play rough and  
13 tumble. My campaign was about ethics and integrity.  
I'm  
14 also the president of a large co-op in Queens. I do that  
15 as a volunteer, by the way. The co-op, as a regular  
basis,  
16 sends out letters to its residents in the community  
before  
17 elections. You hear there is an election coming up, go  
out  
18 and vote and you name the candidate.

19 In my community, I happen to be popular because of  
20 things that I have done in the community. The people are  
21 normally interested in a letter that I wrote. The

letter

22 president of their co-op is running. We sent out a  
23 naming the three candidates. This is a time for you to  
24 choose someone who will best serve the community. My  
25 opponent made an allegation that I was an in-kind

1 contribution. At Parkside they do it all the time  
because  
2 they tie you up there. That allegation was reported,  
3 looked at by the Campaign Finance Board and I got an  
eight  
4 page letter. You're talking about a grass roots  
campaign  
5 that simply went to the co-op, sent a letter. We do that  
6 all the time. It's part of our discussions with our  
7 residents.

8 The letter said that this was an in-kind  
contribution,  
9 or they believe that it was an in-kind contribution and  
10 they need to have documentation. Two years ago we have a  
11 newsletter. We talk about politics all the time. The  
12 Campaign Finance Board wanted to know what our  
advertising  
13 rates are, as if that was somehow an in-kind  
contribution.

14 The bottom line is that was what new to me. I  
didn't  
15 have the time or resources to pay an attorney to fight  
it.  
16 I think that is probably something that I could have won  
to  
17 prove that this is something that we do on a regular  
basis.  
18 It was easier for me to state I accept the decision of  
the  
19 Campaign Finance Board and calculate the cost of printing

pay 20 the newsletter, I think it was a thousand dollars, and

21 it back.

to 22 When you run a campaign on a shoestring budget and

23 a candidate that is not wealthy was oh my God, am I going

penalty. 24 to have to dig down into my own pocket to pay the

25 I have to no idea of finding out if that was an in-kind

no  
1 contribution. If it was an in-kind contribution, we had  
2 idea. All you guys had to do was say, I think, first of  
3 all, what you need to do is, I think there has to be some  
4 level of substantiation on the part of those making the  
5 allegations because anybody can allege anything about  
6 anybody at any time. When you have a group like Parkside  
7 or any other consultant that is high paid, I think they  
can  
8 really tie up a grass roots campaign very much and also  
9 make you very nervous.

10 What happened in my case, to this day I still don't  
11 know what the resolution is. I put it in my last filing.  
12 When we budgeted out the money, we budgeted to the last  
13 penny. I don't know if -- am I going to be hit with  
fines,  
14 are they going to dig into some other things. I'm not  
15 Bloomberg or some of the other campaigns that have a lot  
of  
16 money. You left me in a predicament where I really  
don't  
17 know from day-to-day if I'm going to have a huge  
18 expenditure down the road. You also cut off my last five  
19 percent payment. That created a lot of problems. We  
20 budgeted to the penny, didn't go over any limit. You put  
21 me in a bind.

22 The way your process works is that if I pay the last

held

23 vendor the five thousand dollars, the five percent you

24 out of my own pocket, and there is no more bill. I don't

25 get the money back to reimburse myself. I think it's a

1 process that really needs to be re-examined, especially  
2 when you're dealing with grass roots campaigns. I think  
it  
3 may be hard to discern between a grass root campaign;  
it's  
4 not really hard.

5 Look at where the contributions from. All of my  
6 contributions came from my community and most of them  
with  
7 twenty-five dollars as opposed to my incumbent who got a  
8 lot of very large contributions, if you're really  
looking.

9 To create a level playing field and bring people like  
10 myself civic leaders in the community out you have to  
deal  
11 with this. To this day I don't know if I met the burden  
of  
12 this in-kind contribution and I'm nervous what it is.

13 Those are real concerns that I have that I think you  
14 need to address that five percent hold back is a real  
15 problem and the timing of that. I told my vendor that I  
16 can't pay him his final bill, but I'm told that that pay  
17 back may not come for another year, or whenever the final  
18 audit is done. That is unfair. It may not be unfair in

a  
19 Bloomberg campaign, but in mine it's burdensome.

20 Credit card address verification requirements. I  
21 understand why where you're coming from. Some people  
have

22 credit cards with various addresses. If the address  
23 doesn't match, but they filled out a contribution card  
24 where they are attesting to the address, why is that not  
25 acceptable? I have to go back and find the contributor.



1 The information with its the exact same information that  
2 the Finance Board had because it's on the finance card.

is

3 I had a physically disabled individual who made a  
4 contribution on their check. It says John Smith. That

John

5 the name of the party that made the contribution, and

6 Smith or Jack Jones, agent to John Smith because she  
7 couldn't write, so he would sign the check and she would  
8 document with the contribution card, but the check had

both

9 names on it. It was rejected. Rejected. She couldn't  
10 sign anything, so I did not accept a matchable fund. She  
11 was a disabled person, lost the ability to participate in  
12 in the program. I think that is a problem.

before

13 The C-Smart needs more categories. I was also using  
14 that in my accounting. The reasonableness standard  
15 a ten dollar pizza required the same level as a twenty-  
16 thousand expenditure needs to be re-looked at. Threat of  
17 penalties was unfair to grass roots campaigns.

and

18 Those are my comments. I hope you listen to them  
19 take them, some of them into consideration.

them

20 THE CHAIRMAN: We certainly will listen to  
21 and take them into consideration. Thank you for your  
22 sharing with us. Any questions or comments? Thank you.

23 Good luck.

24 MR. FRIEDRICH: I appreciate that. Good luck

25 that work with you.

John 1 THE CHAIRMAN: I would like to call forward  
2 Feerick, professor of law at Fordham University.

you 3 MR. FEERICK: Good morning, all of you. As  
4 know, my name is John Feerick, spelled with two E's. I'm  
5 professor at Fordham Law School. I appreciate very much  
6 the invitation to come here and offer some testimony.

7 Just by way of background, I have participated in a  
8 pro bono basis in government reform effort for the past  
9 forty-eight years. For the last almost forty of these  
10 years I have chaired commissions which have focused on  
11 campaign finance reform on the state and national level.  
12 The New York City Bar Association's Commission on Finance  
13 Reform, which I co-chaired along with New York State  
14 Commission of Government Integrity. I was privileged to  
15 chair and serve alongside a number of prominent citizens  
16 of the state. A few of those citizens are no longer with  
17 us, and I will treasure my association with them; most  
18 notably Cyrus Vance.

19 The Commission on Governmental integrity was  
20 established by Governor Mario Cuomo in the height of  
21 government corruption in the 1980's, is granted subpoena  
22 power in New York State. The commission conducted  
23 investigations around the state, held many public  
hearings 24 and laid out in painstaking detail the inner workings of

25 the campaign finance of New York State. In its wrap up

1 summary, the commission called that area an  
embarrassment,

2 and urged the governor and legislature to adopt the major  
3 reforms that were required. These reforms have not been  
4 made.

5 One outstanding model that does exist in the state  
is

6 the Campaign Finance Act of New York City, adopted under  
7 the leadership of Mayor Edward Koch and admirably  
8 administered by this board. Not only are you a model for  
9 New York State but for the rest of the country itself. I  
10 salute you on what you have done in creating this model

and

11 I would like to thank you for your continued oversight of  
12 making sure that this model remains the excellent one it  
13 is.

14 I would would be remiss if I did not use this  
15 opportunity to express my admiration for Father Joseph  
16 O'Hare and Nicole Gordon, whose leadership set this board  
17 on its historic present path. When the Commission of  
18 Government Integrity concluded its three year effort, it  
19 commented on the promise of this Act, applauding the

limit

20 placed on the campaign contributions, the adoption of

your

21 disclosure requirements and commitment made by this board

the

22 to enforcement. Our commission identified loopholes in

23 Act at the time which it said were in need of closing to  
24 avert the undermining of the law.

25 Most significant among these were loopholes which

1 enable corporations, through multiple subsidiaries, to  
make  
2 multiple contributions. You closed that hole. The  
3 commission also expressed alarm at the ability of those  
4 doing business with New York City to make contributions  
and  
5 recommended an outright ban. I know some important steps  
6 have been taken by you to address this difficult problem,  
7 and the commission identified as a problem loans made to  
8 candidates, a subject you addressed.

9 The linkage between this board and the New York  
State  
10 Commission on Government Integrity was highlighted this  
11 week in a New York Times editorial entitled "It's all  
about  
12 the Money.

13 My active work in the field of campaign finance  
reform  
14 has now faded, and therefore I do not have any strongly  
15 held views to call to your attention with respect to the  
16 Act you administer, other than the area of independent  
17 expenditures. Review the reports of the Commission of  
18 Public Integrity, and I call to your attention Page 240  
to  
19 266 with regard to the Poughkeepsie study. Don't be  
20 dissuaded by the volume's title, which by the way was  
21 published as government ethics reform for the 1990's  
22 because except for you, it is my impression that little  
has

of  
23      changed in New York State in the past two decades. You  
24      will find in these page a compelling case for disclosure  
25      expenditures.



1 I thank you for the opportunity and honor to address  
2 you. I'm happy to respond to any questions you might  
3 concerning my statements or beyond.

have

4 THE CHAIRMAN: Thank you very much, Dean  
5 Feerich. Any questions? Would you suggest a statute or  
6 legislation in some other municipality or state that you  
7 think would serve as a model that we could suggest that  
8 City Council adopt?

the

9 MR. FEERICK: The answer is I have no  
10 model. I know how I would go about it. I would say to  
11 staff I would be working with and my colleagues, take a  
12 look at what the federal government does, take a look at  
13 what is happening across the country. I'm aware across  
14 country we have many approaches to independent  
15 expenditures, as we do under the federal statute. From a  
16 consideration of those examples, would in discussion  
17 obviously if I were functioning on a committee, in working  
18 with the committee, make a judgment as to what was  
19 in terms of what we know about New York State.

particular

the

the

relevant

20 In the Poughkeepsie 1985 election, nobody knew where  
21 all the money was coming from, and not even the  
22 candidates. You had political party committees, you had

going

23 the Republican upstate committee with a lot of money  
24 into that election. Our commission was developing its  
25 agenda. I spent a few weeks traveling around the state

1 with Nicole Gordon, who was the councilwoman and Eugene  
2 Small, and people we spoke to in Poughkeepsie said that  
the  
3 money in the 1985 election, something was wrong; it  
hadn't  
4 been adequately investigated by the Elections Board and  
we  
5 spent two years, we had twenty-three investigations  
across  
6 the state. We spend two years on the staff and on the  
7 staff members of the staff headed by Jim McGower, who  
8 became Governor Pataki's counsel, and is a distinguished  
9 member of the judiciary today.

10 Some people said why are you spending so much money  
on  
11 Poughkeepsie. We did spend a lot of time in New York  
City  
12 as well. We felt there was something there that  
13 demonstrated how easily the law could be end runned and  
14 circumvented. It was as good a case study to demonstrate  
15 that as we could find the person that led the company, a  
16 real estate development group that was involved with  
that.

17 When our group was all done, said what happened in  
18 Poughkeepsie should not have happened because the law  
19 allowed that to happen. That is why I have a single  
20 message today; that is, there is danger to this law  
through  
21 the area of independent expenditures, and I think it's

22 worthy, as I know you will, to give careful attention.

23 THE CHAIRMAN: Thank you very much.

24 MS. PATTERSON: I have one question. There

are

25 two issues with regard to independent expenditures. One

I

1 think is relevant to any campaign finance program, and  
it's 2 certainly true in the federal area, which is disclosure.  
3 As you mentioned, that independent expenditures need to  
be 4 disclosed, that there are rules that make sure  
independent 5 expenditures are, in fact, independent. Here in New  
York, 6 in the New York City system, one of the hallmarks that  
7 there is a substantial now six to one public funding  
match 8 for contributions raised, and the corollary to that is  
that 9 there are spending limits applicable to candidates who  
10 participate in the program.

11 Independent expenditures are obviously not covered  
by 12 the spending limit, and it can be very murky as to when  
an 13 expenditure is independent authority. Do you feel there  
is 14 something that could be done also to make sure that the  
15 benefit, financial benefit of independent expenditures  
are 16 limited when you talk about participating candidates that  
17 are already getting a financial match?

18 MR. FEERICK: To be candid, I really have a  
19 view. The thrust of my statement is at the minimum there  
20 should be disclosure. I recognize there are  
constitutional

your 21 and other issues present when you get into the area of  
22 question, limitations on expenditures. We ought to know  
23 more about who is behind those expenditures that either  
know 24 support or oppose a candidate. There is danger not to  
25 who is behind it. It certainly inhibits, as we  
discovered,

1 a major investigation.

2 MS. PATTERSON: Thank you.

3 THE CHAIRMAN: Thank you very much, Dean  
4 Feerich. I have my library copies. I'm happy to make

them

5 available. I suspect your executive director may have a  
6 copy. I know where to get in touch with you.

7 MR. FEERICK: Thank you. Happy holiday.

8 THE CHAIRMAN: Thanks very much.

9 (Time noted: 11:15 a.m.)

10 THE CHAIRMAN: Now we would like to call

forward

11 Lynne Serpe, please. Good morning and thank you for

being

12 with us. Lynne was a candidate for Council.

13 MS. SERPE: Thank you very much for having this  
14 hearing. It's very important. I had four major points  
15 that I wanted to discuss. The first is an overall  
16 compliment about the program. The second, I wanted to

talk

17 about the timing of disbursement for independent  
18 candidates. The third is the audit and paperwork process  
19 and the fourth is C-Smart software.

20 My name is Lynne Serpe. I was the Green Party  
21 candidate for District 22. I had to file an independent  
22 nomination petition in order to be on the general

election

23 ballot. I was not on the primary in any way shape or

primary 24 form. I ran against an incumbent who do not face a  
25 challenger.



1           The six to one match was extraordinarily helpful to  
be  
2           able to reach out to the voters in my district. I got  
3           nearly twenty-five percent of the vote about thirty-five  
4           hundred votes. I gave voters a choice, which they hadn't  
5           had one in the past. Even if they hadn't voted for me, I  
6           had a number of people compliment me and thank me for  
7           running for making sure the incumbant, who had voted to  
8           accept entitlements, was really forced to campaign  
because  
9           he did not have a primary challenger.

10           I do think the program is extraordinarily positive.  
11           My background is in the election reform. I was a former  
12           deputy director of the New America Foundation's political  
13           reform program. We dealt with voting system reform and  
14           campaign finance reform. I was a senior analyst with  
Fair  
15           Vote Center for Democracy, which is also very active in  
16           campaign reform finance issues. I served as an election  
17           reform staffer for the new Zealand parliament.

18           This is an area where I had experience both as a  
19           candidate and in my professional career. In 2003 I was a  
20           campaign manager for a candidate in New York City who  
21           received matching funds and in 2005 I served as a  
22           consultant for a candidate who received matching funds.  
So  
23           this is my third time going through the program.

24           My first point over all it's very positive. The  
25    matching funds process I think is a good one. I like the

1     idea the more you raise, the more you get matched. I  
think  
2     the minimum threshold requirement of five thousand is a  
3     good threshold. I think the ten dollars for one person  
up  
4     to one seveny-five is very good. I appreciated the one  
5     seventy-five cap versus the two fifty cap. I think that  
6     was a very good decision. I think therefore increasing  
it  
7     to six to one so it's ten fifty as opposed to a thousand  
8     dollars that you would have gotten, I think was a very  
good  
9     process.

10            However, as a general election candidate, I was  
unable  
11     to receive any matching funds until October 1st. In  
order  
12     to max out in the matching funds program as a City  
Council  
13     candidate, you need to raise approximately fourteen  
14     thousand seven hundred fifty-eight dollars and sixty some  
15     odd cents in order to receive the maximum of over  
16     eighty-eight thousand dollars. Clearly, there is a big  
17     difference between having a little bit less than having  
18     fifteen thousand dollars to spend and over a hundred  
19     thousand dollars to spend.

20            By not being able to receive the matching funds  
until  
21     October 1st, the first possible date, that creates an

22 extraordinary burden on an independent candidate. It  
23 either means you have to set up some a system of loans --  
24 couldn't get eighty-eight thousand dollars in loans. I  
25 don't know people that have that kind of money -- it

I

1 creates this really difficult situation. There is a  
2 primary. It was September 15th. There was a runoff two  
3 weeks later. It sort of made sense to wait until October  
4 1st, but when you look at it from the candidate's point  
of  
5 view, this means the most intense part of the campaign,  
the  
6 last five weeks, you finally receive your money.

7 You don't receive it all at once. As the previous  
8 speaker mentioned, you get five percent held back. There  
9 is an auditing process. Sometimes it seems as though the  
10 auditors and people that actually make the disbursement  
11 don't necessarily talk to each other, so the contribution  
12 that you were told would be matched, it turns out you  
13 didn't get the money for it. Sure, you have to wait a  
14 little bit. As you get closer and closer to the election  
15 time, it's incredibly important. Vendors want their  
money  
16 up front, whether it's television ads or radio ads or  
17 printers, and your staff wants to get paid.

18 Waiting for the disbursement until October 1st, you  
19 actually set up a very difficult situation even from a  
20 labor point of view. My staff was put on contract  
because  
21 I couldn't put them on on a bi-weekly payout because I  
22 would not have the money because I wouldn't get it until  
23 October 1st. It's not an easy answer, but I wanted to

24 raise it. It's incredibly important. I feel my campaign  
25 suffered by not having the money until October 1st.

1           Next point. The audit and paperwork; I touched on  
2           this briefly. Sometimes we had donations that we sent  
in.  
3           We filed the paperwork, we filed, it seemed like quite a  
4           bit of time later we were told there was a concern.  
5           Sometimes the concerns seemed rather small from our  
6           perspective. I was mostly concerned about timing, that  
you  
7           raised the concern if someone filled out paperwork saying  
8           I'm going to donate twenty dollars because that was the  
9           cover charge at the door, for example, but then I did a  
10          fundraising pitch and they were wowed by my amazing  
11          auditory ability and they wanted to give me an extra  
12          fifteen and they crossed out the twenty, we were told we  
13          actually had to go back and get documentation that they  
14          wanted to give the thirty-five dollars.

15          I went through the training in 2003 and 2005 and  
16          December of last year, and this really wasn't covered.  
It  
17          was an enormous burden on what seemed to like a small  
18          issue, and again, because of the timing of the  
19          disbursements, I had to fight in those final weeks of  
20          August that I was able to get as big a disbursement on  
21          October 1st as possible because I only had five weeks  
22          left. So these things are all interrelated.

23          Next point is C-Smart. I own a Mac. My treasurer  
24          owns a Mac. My campaign manager owns a Mac. C-Smart, as

25 far as I understand, is not Mac compatible. It's not



1 compatible with any open source or Linex program either.  
2 The campaign finance program sets up a situation where I  
3 have to buy a computer for my staff in order to file.  
That  
4 is an expenditure. I would have rather spent the money  
on  
5 outreach to voters. The idea of the campaign finance  
6 program is to help me reach out to voters in a  
competitive  
7 election.  
8 It's also, just in this day and age, the idea that  
you  
9 have software that is not compatible with Macs or open  
10 source or Linex is unbelievable. It created problems  
with  
11 post-election filing. We just had a filing. The  
computer  
12 that I purchased is having problems. I can't purchase a  
13 new computer; that is not allowed under the election law.  
14 We have to figure out is my treasurer going to have to  
come  
15 up in the office to do the filing. Is she able to  
download  
16 it onto someone else's computer. If someone downloaded  
it  
17 to a laptop from a campaign, you can't download a second  
18 account on that same laptop. It's really a problem.  
19 I hope it's something that you look into. It's not  
20 the first time I raised it. We addressed it in 2005. I

issue 21 raised it in the Green Party I'm affiliated with, the

issue 22 of timing of disbursements. I touched briefly on the

23 of loans.

24 I want to mention the video voter guide as well. I

to 25 think it's a fantastic resource. The deadline in order

1 record your video voter guide statement was August 10th.  
2 As a general election candidate, I'm not even on the  
ballot  
3 on August 10th. I'm still getting signatures. As an  
4 independent candidate, I can't start gathering signatures  
5 until a month after the major parties' candidates are  
6 allowed. So I have to, in the middle of petitioning, do  
my  
7 video voter guide statement. I'm not even an official  
8 candidate yet. I don't get my money until October 1st.  
9 It's not like I could have hired someone to act as a  
10 consultant on my campaign to give me some tips. I also  
11 have to decide what my issues are almost three months in  
12 advance of the election campaign.

13 It's different for the primary. For the primary, I  
14 believe it's taped in June and the primary is in  
September.  
15 Those are some of the timing issues that I wanted to  
raise,  
16 because as an independent candidate, I found it very  
17 difficult. That these are the small points. That I  
would  
18 often receive the e-mails from my contact, who is very  
19 good. Many of those e-mails were really geared to people  
20 in the primary election. Those are totally not relevant  
to  
21 me and often caused concern, like you have to file  
22 tomorrow, and I didn't because I wasn't a primary

23 candidate. It seems as though in this day and age, you  
24 have a database, you have a list of all your candidates,  
25 you're putting together an address book for your e-mails.

1 Don't send the general election candidates they have to  
2 file the next day or they have to do their video voter  
3 field by June 10th when in fact it's not true.

4 Those are my comments. Overall a positive  
5 experience. I think there are severe deficiencies when  
it comes to independent candidates. Thank you very much for  
6 listening.  
7

8 THE CHAIRMAN: Thank you. Any questions?

9 MR. CHANG: That was very good. The testimony  
I am asking you two questions not to detract from what you  
10 actually said but out of curiosity one minor point, have  
11 you tried parallels for the Mac?  
12

13 MS. SERPE: When we spoke with my treasurer  
14 spoke with the Campaign Finance Board earlier in the  
year,  
15 we were told that they weren't sure if it would work and  
it  
16 seemed safer to go ahead and get a PC. I don't know if  
it  
17 was explored.

18 MR. CHANG: There are two virtual software  
19 programs that allow you to run Windows on your Mac. I  
20 suggest look into that.

21 MS. SERPE: It will run with full Windows  
22 software on your Mac? That's great. When we asked, we

we

23 were not told about that. That's a lot better than what

24 have to deal with.

25 MR. CHANG: I have a second question which I'm

other  
as  
got

1 asking you to draw on your experience looking at some  
2 voter issues nationally and internationally. Obviously  
3 a Mac user you are in a group of --

4 MS. SERPE: I actually don't like my Mac. I  
5 sucked into the hyype.

6 MR. CHANG: Have you explored using any  
7 electronic means for reaching out to your voter  
8 constituency? Do you use a social media or other  
9 alternatives other than the traditional methods of  
10 distributing your campaign message?

a  
some  
organization

11 MS. SERPE: We had a Facebook page, and we had  
12 campaign Website and a campaign newsletter and there is a  
13 big fat subscribe button right on the top. We did do  
14 advertising on various Websites. There is an  
15 called Wild in Astoria, which has over three thousand  
16 members in Astoria, which is the district that I covered,  
17 and we had a campaign page there as well. We did do some  
18 advertising on various Websites such as Facebook, or some  
19 of the local newspapers; they have Websites as well.  
20 We were fairly tech savvy. I'm in my thirties.

Most

21 of my staff was in their thirties. We had blogging. We  
22 had a Twitter account. I didn't Twitter that often. I

23 didn't feel that people with that interested in  
everything

24 that I did. Most of those things are relatively low  
cost.

25 There is a cost involved in setting up a Website, if you



1 have a server, especially if you have some of the more  
2 advanced tools. We were able to send out a tailored  
3 newsletter. There were expenses where the campaign  
finance  
4 program helped. Facebook didn't cost anything. I had  
the  
5 ability to do some ads.

6 MR. CHANG: Did you start some activities  
before  
7 October 1st date?

8 MS. SERPE: I had a Website early on and the  
9 Facebook page that I mentioned was early on, as well as  
the  
10 campaign newsletter which started in May.

11 MR. CHANG: To what extent do you think that  
12 fact that you didn't get campaign funding until October  
13 actually forced you to use alternative methods to get  
your  
14 message out?

15 MS. SERPE: I would have to done these things  
16 anyway. I don't know that the funding issue was actually  
17 in play there. What was more important was the fact that  
I  
18 wasn't able to hire staff or pay staff that I hired in a  
19 timely fashion. I wasn't able to hire additional staff,  
20 like people to go canvassing door to door until the final  
21 weeks. By the time that I could pay people to go door to  
22 door, it was dark by like five-thirty at night. If I had

23     been able to pay people to go door to door in July and  
24     August, it was light out until like eight-thirty, nine  
25     o'clock at night.

1           You want to know how many doors you can knock on  
when  
2           you have the evening hours? Quite a few more. If it  
gets  
3           dark and cold at five-thirty, by the time I could pay  
4           people to canvass, that's thousands of doors I didn't  
knock  
5           on. We were able to knock on thirteen thousand doors,  
6           which is pretty darn good. You know what? Most of them  
7           weren't home because we were knocking on them between  
three  
8           and five o'clock during the day.

9           Yes, there are opportunities for social media and  
10          online activism, but at the end of the day, tried and  
11          tested, any campaign consultant, any report is going to  
say  
12          one-on-one personal contact with the voters is the single  
13          most powerful outreach tool. I was denied or not able to  
14          take full advantage of that because of the late  
15          disbursement of my funds.

16                   THE CHAIRMAN: Thank you very much. Much  
17          appreciated. We would like to call forward Steven  
Behar.  
18          He was a candidate for Behar for New York. Thank you for  
19          joining us, Steve.

20                   MR. BEHAR: Thank you for having me. First  
21          thing I would like to do is thank the commission for  
having  
22          us, the board, I should say. I'm a former SEC lawyer, so

23 I'm used to saying "the commission." Usually I'm sitting  
24 in front of a board. It's the commission. I thank the  
25 board for having me.

1           Now that I thanked you, now I think I'm going to rip  
2           you apart, but I hope you take it as constructive  
3           criticism. When people ask me about our campaign finance  
4           program in New York City, I have been a political  
activist  
5           for years, both in New York State and across the country.  
6           My response to them that is the system is bad, but better  
7           than nothing.

8           You do have a great staff. Joe Danko is very  
helpful.  
9           Your staff, as far as my liaison, Elizabeth Carbone, that  
10          was very helpful. Responsive. Everyone I worked with is  
11          responsive. It's not the staff's problem, it's the  
system  
12          that poses the problems, and I will elaborate a little  
bit  
13          further now.

14          The first thing is the system is over burdensome. A  
15          campaign with paperwork, I think my campaign killed a  
16          forest. We were a relatively small City Council race. I  
17          can only imagine what the city-wide race generated in  
18          paper. A lot of the paperwork seemed to be superfluous  
and  
19          unnecessary, and to this day, I still have a load of  
20          documents sitting in my office that every once in a while  
I  
21          need to take out, and just this week we had to take some  
22          files here and some paperwork additonally.

23           The audit practices are pretty overbearing and  
24           sometime nitpicking. Again, I think this is the system.  
25           will give you a couple of examples. We had contributions

I

1 turned back because -- ten dollars contributions because  
2 the audit staff couldn't tell whether or not the number  
3 that it one person had written was ten. We were asking  
for  
4 ten. It couldn't have been really less, but we were told  
5 to go back to that person or find them and have write a  
6 letter stating that and on so and so date that we had  
given  
7 ten dollars to the campaign. We had like a lot of twenty  
8 dollar contributions. It seems pretty obvious that that  
9 that is what it was.

10 I had one contribution in, I believe it was August  
11 where one of my close family friends had signed a  
12 contribution form, gave me a hundred dollars cash but  
13 forgot to date the signature. We never got matching  
funds  
14 on that because by the time we had gotten our invalid  
match  
15 claims form, it was already the beginning of September.  
16 That gentlemen happened to be away on vacation. Because  
17 that gentlemen forgot to sign the contribution form, we  
18 ultimately lost about seven hundred dollars we could have  
19 spent.

20 Another problem is the timing of the disbursement  
and  
21 I heard the person testifying before. It does a couple  
of  
22 things: One, you know or you think that money is coming,

23     so in order to have a competitive campaign, you actually  
24     have to spend it, even though you don't have it, which  
25     requires the campaign to go into a tremendous amount of



1 debt. I'm sure some campaigns don't have the ability.  
2 Ours certainly didn't.

3 In addition to that, it forces sometimes your staff  
to  
4 not get paid. Thank God I had a very good and  
5 understanding and supportive staff because they went  
three  
6 or four weeks at a time not getting paid. Ultimately,  
they  
7 got paid when we got the disbursements. When most of our  
8 your staff is young, recently college grads, it's hard to  
9 tell someone who is just starting out, paying back their  
10 student loans, that I can't pay you until we get our  
11 disbursements, and if something goes wrong we may not get  
12 that money. It's very harrowing.

13 In addition, the system itself allows people to run  
14 that would not necessarily be able to run and complete.  
15 But it doesn't really solve the problem of special  
interest  
16 in our election. I'll give you an example. A  
17 hypothetical, I should say. Take the example of a  
18 registered lobbyist running for City Council. Maybe he  
19 works for his family's lobbying firm and is able to throw  
20 two or three large funds raisers. Where people that come  
21 to the event hands out two twenty-five thousand dollar  
22 checks. That person can essentially raise the max in one  
23 two, three events and be done with it.

24           Where the system seems to be be geared to help folks  
25    compete who don't have those contacts or maybe good

ability 1 contacts or maybe good candidates, but not have the  
2 to compete in that realm. What happens is yes, down the  
3 road you can raise the money, but as I said before, you  
4 have to wait for the matching fund disbursements to come,  
5 and two, you're spending thousand dollars of hours  
6 campaigning for ten and twenty dollar contributions and  
7 where this lobbyist has two fund raisers and he's done.  
It 8 doesn't really level the playing field.  
9 The system that I campaigned upon, let's say you use  
a 10 City Council race, since I'm most familiar with that.  
The 11 system I'm proposing, it's still on my campaign Website,  
12 it's still up there. It would be a system starting the  
2009 13 year before election, starting January 1, 2008 for the  
14 election. Potential candidates would have to go in their  
15 district and collect two hundred fifty index card sized  
16 forms that has the name, address, signatures of  
registered 17 voters in the district. The candidate would have to  
18 collect two hundred fifty of those cards signed, along  
with 19 small contributions of twenty-five and fifty dollars, no  
20 less than five, no more than fifty. That would have  
21 afforded the candidate to put together a seed fund that

dollars

22 could be theoretically as low as two hundred fifty

23 and as high as twelve thousand five hundred dollars.

24           Once he has collected two hundred fifty dollars from

25 the district, he would submit the cards to both the

1 Campaign Finance Board and Board of Elections. Campaign  
2 Finance Board and audit would take place basically two  
3 hundred fifty names, addresses and signatures. They  
would  
4 have to match those two hundred fifty names, addresses  
and  
5 signatures on the voter rolls. Once that candidate  
located  
6 two hundred fifty signatures, he would qualify for full  
7 public funding of the election.

8 My proposal was to give the candidate a year and a  
9 half to start, January 1st before the election to June 1,  
10 2009. They can hand in those cards any time in that year  
11 and a half period. Once the audit is done, they would  
12 qualify for matching funds. On the matching fund side in  
13 the year of the election, in this case, January 2009, a  
14 hundred thousand dollars would be put into the  
candidate's  
15 account. The candidate would only be able to spend that  
16 hundred thousand dollars plus whatever was in the small  
17 seed fund.

18 At the same time, the candidate would also have  
access  
19 to the ballot. That would not be in lieu of the system  
of  
20 petitioning now, but an alternative. But it would be  
21 either/or. Where the candidate would turn in cards to  
the  
22 City Board of Elections. Again, it would be a simple

23     audit, two hundred fifty card signatures, names and  
24     addresses.  If they all match, then that person is on the  
25     ballot.  It would make our system of getting on the

ballot

1 a lot easier. It would help in the audit from the CFB  
2 side. The CFB, which is now a very large agency, I think  
3 you have two floors now, it could probably be pared down  
4 a staff of twelve.

5 It would be the job of the staff would be ongoing  
6 compliance during the year and the two major things that  
7 they would have to do is audit two hundred fifty cards  
8 a hundred thousand dollars for City Council race in  
9 expenditures. The whole backup documentation and audit

10 contributions would be gone. Candidates wouldn't have to  
11 make their trips to the Campaign Finance Board with the  
12 stacks of copy. It could also list the amount of cash  
13 spent. Candidates would be limited to a thousand  
14 in a City Council race in cash advances, making the audit  
15 simple, the trail a lot easier to follow.

16 The outcome of the system would help our system in  
17 three ways. One, it would make the field much leveler  
18 it is now. Two, it would force candidates to actually be  
19 candidates. It would force candidates to actually go out  
20 there and do what we call retail politics. If you had a  
21 hundred thousand dollars to spend, your dependence on  
22 overburdening the public with mail and dependence on  
23 consultants would shall much smaller. You would have to

24 knock on people's doors. You would have to go to the  
25 subway stations or railroad stations. You would have to



1 stand in front of supermarkets.

2 I think in the long run, I think that would be a  
3 better for our political system. In addition to that, it  
4 would be save the city money. It would save money in the  
5 sense that the staff and scope of the CFB would be much  
6 pared down. I think my estimate, it would be pared down

to

7 a staff of about twelve. It would also save the city in  
8 the long run.

9 I will give you an example on the state level. I  
10 think it's very unfortunate indeed that many of our  
11 election officials, for lack of a better term, are bought  
12 and sold by special interests. Access to elected

officials

13 really depends on money. If we had a system of full

public

14 financing of elections, elected officials would only have  
15 to answer to the people that actually elected them. Say

in

16 the City Council race, the only people that gave them

money

17 would be the people in their district. When regulation

is

18 put before that elected official, he wouldn't have to

worry

19 about some special interest gave his campaign thousands

of

20 dollars.

21 Don't kid yourself on the twenty-seven hundred fifty

of

22 limit. In the City Council race, if a real estate  
23 developer and his friends can give tens, twenty, thirty  
24 those, it becomes a lot of money. When legislation comes  
25 up in front of the elected officials, he has to think of

1 who gave him money. It would give access to elected  
2 officials. Today, many elected officials, when someone  
has  
3 to talk to them, the first thing they ask or the first  
4 thing they think is how much money did this person give  
5 me. In a public finance system, it would be first come,  
6 first serve. This won't be a priority because someone  
7 contributed money to my campaign or didn't.

8 Finally, it would save money on the legislature's  
9 side. Most of the legislation is based on the city and  
10 state level now is unfortunately decided by what special  
level,  
11 interest is pushing hardest. I think on the federal  
12 I think we see it today on the health care reform debate.  
13 It's whether the insurance company or health reform lobby  
14 has more money or more access in the state. A better  
15 example is the Limited Liability Company Filing Act.  
16 Section 202 of the Limited Liability Act requires every  
17 company, they would to publish start up of the LLC in two  
18 newspapers. Even if it were done in 1994 after the birth  
19 of the the Internet, that law is still on the books, even  
20 though all that information is learned in the newspapers  
is  
21 on the state Website. The reason it's still on the books  
22 and the reason it costs a new LLC anywhere from thirteen  
23 hundred to two thousand dollars to publish in Kings  
County

24 or New York County, is because the newspaper lobby is so  
25 strong and so wealthy that it's blocked the elimination

of

1 that requirement.

2 If we had full finance public elections, that law  
3 could be changed because you wouldn't have the newspaper  
4 lobby pushing so hard and it would save the state a lot

of

5 money. I'm an attorney and I do some work on start-ups.

I

6 have some clients that set up their LLC's in Delaware and  
7 other states because of the overburden of this law. This  
8 law alone is costing hundreds of millions of dollars in

the

9 State of New York. Thank you.

10 THE CHAIRMAN: Thank you, Steve. Much  
11 appreciated. We will take that all into consideration.

We

12 will take a quick break, see if anybody else shows up.

13 (The hearing was recessed at 11:50 a.m. and  
14 resumed at 12:00 p.m.)

15 THE CHAIRMAN: I would like to call for Marcy  
16 Benstock of the Clean Air Campaign. Good morning, Marcy,  
17 welcome.

18 MS. BENSTOCK: I'm Marcy Benstock, Director of  
19 the Clean Air Campaign and its Open Rivers Project.

Thank

20 you very much for the opportunity to comment on several

of

21 the questions which were sent out with the Campaign

Finance

22 Board's November 6th notice for this hearing.

23      Congratulations on making a significant amount of  
24      information on 2009 campaign contributors available on  
25      CFB's Website before the November election.

1           The CFB questions near the end of your list were  
some  
2           of the most important, since they deal with CFB sponsored  
3           pre-election debates and with CFB's searchable database  
of  
4           campaign finance information and online resources. Those  
5           are the ones I will discuss today.

6           Bringing fresh faces into the city government with  
7           public matching funds won't alone serve democracy if the  
power  
8           city government itself is undemocratic. CFB has the  
9           to deter corruption and make city government more  
10          transparent and more accountable and accessible to the  
11          citizens who don't have alot of money. CFB has a mandate  
12          to do this by fostering robust debate on important issues  
13          before elections and by maximizing transparency and the  
14          public availability of all possible information on what  
is  
15          called pay-to-play. That is the ways in which campaign  
16          contributors and lobbyists and other people doing  
business  
17          with the city seek to influence the use of public  
resources.

18          The first CFB questions I would like to discuss are  
19          the CFB debates. I watched two mayoral debates on TV  
this  
20          fall before the election. New York 1 had a round table  
21          discussion after the first mayoral debate. The Village

that

22 Voice reporter, Wayne Barrett, expressed astonishment  
23 the candidates weren't asked how they would address the  
24 city's multi-billion dollar budget shortfall and their  
25 public spending priorities. Yet I don't recall much, if



the 1 any, discussion on this overwhelming important issue at  
2 second debate, either.

Council 3 How is this allowed to happen? I hope you will  
4 figure it out. Quote, budgets are policy, unquote, as  
5 former Mayor David Dinkins and probably every other mayor  
6 has probably said. The Mayor, who along with City  
the 7 Speaker, who plays a lesser role in the city, controls  
8 sixty billion dollar annual budget for New York City.

That 9 budget determines much of what gets built and where, the  
10 public services New Yorkers do and do not get, what deals  
11 real estate developers may put together, and indeed,  
12 whether a lot of residents and small business owners will  
13 be able to stay in the city at all.

14 It would be hard to imagine a more important set of  
15 questions for mayoral candidates to asked about, and for  
16 voters to hear the answers to, in CFB'sponsored debates  
17 than questions about upcoming budgets and public spending  
18 priorities. Some of the questioners would need to be  
19 knowledgeable about the city budget and how that affects  
20 policy issues New Yorkers care about, but that could be  
21 taken care of in a number of different ways, including  
22 probably public review of proposed questions in advance

of

debate

23 the debate. Voters in a democracy deserve informed

24 before elections on how their tax dollars are going to be

25 spent.

with  
1           A second important set of CFB questions had to do  
2           the campaign finance and other information in CFB's  
3           searchable database and Website. One of the important  
4           tasks CFB has been charged with is the identification of  
5           people that do business with the city, or hope to benefit  
6           or contract in the future, and enforcing the new  
7           requirement that restricts these people's campaign  
8           contributions. In its May 2008 edition of the  
newsletter,  
9           Full Disclosure, the CFB reported on its progress with  
the  
10          so-called pay-to-play reforms. A doing business database  
11          was scheduled to be completed by December 3, 2008. The  
12          newsletter said -- in order to prepare for this hearing,  
I  
13          looked up City Council Speaker Christine Quinn's 2009  
14          contributors on the database yesterday. I also tried to  
15          use CFB's advanced search function to look up the names  
of  
16          the bundlers and was unable to find them.

17                This exercise prompts the following comments:  
First,  
18                some contributors who are lobbying the Council on  
important  
19                land use and spending priority issues involving hundreds  
of  
20                millions of taxpayer dollars listed their affiliation as  
21                quote, self-employed attorney, or quote, retired. CFB

22 needs to ensure such people are captured in its database.

23 Second, Clean Air Campaign testified at a January 31,  
24 2005 CFB hearing on pay-to-play that the lobbying role of  
25 not-for-profits with benign sounding names were growing.

1 That problem is much more today. Groups with names like  
2 Friends of Hudson River Park are lobbying for leases,  
3 contracts other benefits from the city, and with immense  
4 financial implications.

people

5 Clean air campaign also noted in 2005 that key  
6 seeking financial and land use benefits from the city may  
7 operate through dozens of different entities. We  
8 recommended that as many of the individuals as possible  
9 connected with each entity be covered by pay-to-play  
10 regulations and databases. That doesn't seem to have  
11 happened yet.

should

12 Third, Clean Air Campaign recommended in 2005 that  
13 cumulative and long-term contributions be disclosed.  
14 Multiple business dealings with the longest possible time  
15 periods should and by affiliated entities and people  
16 be aggregated to avoid understating the magnitude of  
17 continuing financial relationships. When I tried to find  
18 cumulative and longstanding contributions on CFB's

Website,

and

19 I couldn't do it. In fact, the information is in there  
20 hard to find. Better instructions for citizen watchdogs  
21 may be needed.

22 In conclusion, Arthur Levitt, the former Chairman of  
23 the Securities and Exchange Commission, worked to end

the

24 pay-to-play in the municipal bond market when he headed

25 CSE. He sent information to you for its January 2005

1 pay-to-play hearing, which I hope you will be inspired by  
2 his closing statement. "Taking on pay-to-play does not  
win  
3 you any friends among politicians, nor among those in the  
4 industries that you seek to regulate, but as you move  
5 forward, I would offer these words of advice: remember  
6 that you serve the citizens of your city and the need to  
7 improve public trust and faith in government could not be  
8 more urgent."

9 Thank you. I would be very happy to answer any  
10 questions that you have.

11 THE CHAIRMAN: Thank you very much, Marcy.  
Any  
12 questions? No questions. Thank you very much for  
sharing  
13 that with us. Good luck.

14 Now I would like to call up Mark Winston Griffith, a  
15 candidate for District Council. Good morning, Mark,  
thank  
16 you for joining us.

17 MR. GRIFFITH: Good morning. My name is Mark  
18 Winston Griffith. I was a candidate for City Council. I  
19 unfortunately don't have any remarks prepared. I have  
some  
20 things that I have written, but it's not ready for prime  
21 time. I'm going to, after I read, I will put them  
together  
22 and submit them formally.

23  
opportunity

Thank you for givig me and my campaign the  
to share our experience with the Campaign Finance Board  
during this past election cycle. My name is Mark Winston



1 Griffith. I was recently an insurgent candidate in the  
2 36th Council District race. I had the privilege and  
3 distinction not only of running in the Democratic primary  
4 along with seven other candidates, but also the general  
5 election on the Working Families Line.

6 In speaking to you, I would want to make two  
distinct  
7 and interlocking points. One, that the CFB and the  
8 assistance it gives creates a more just and level playing  
9 field in city elections. As vital as CFB was to my  
strong  
10 showing and that of other insurgent candidates this year,  
11 there are improvements to be made as far as a user  
friendly  
12 system. On the first point, obviously, I did not win the  
13 seat for the 36th District, which encompasses Bed Stuy  
and  
14 Crown Heights.

15 I can say with some accuracy that our campaign did  
16 not, in fact, lose; we received the maximum. We raised  
17 more money than any of our competitors, including the  
18 venerable incumbent, Al Vann. We had a range of  
donations  
19 with a majority of our contributions coming from small  
20 donors, a large percentage from district and New York  
21 City. The result were impressive. We came a close  
second  
22 by just a few votes to an incumbent and received two and  
a

23 half to four times the votes than any of our six  
24 competitors.

25 All the competitors participated in the CFB program.

1 Together we garnered seventy percent of the vote in a  
2 district that historically does not see many competitive  
3 races. In some ways, the results in the general election  
4 was even more impressive. No third party candidate  
running  
5 against an incumbent has ever run competitively, much less  
6 won in Central Brooklyn, yet we were able to get thirty-  
two  
7 percent of the votes running not on Line A, B, C, or D,  
but  
8 on Line E, a higher percentage than any other truly third  
9 party candidate in the city. In other words, public  
10 finance dollars and incentives it provides to aggressively  
11 raise funds from local voters was a huge factor in our  
12 success. Of course, I happen to think that we had a damn  
13 good candidate and message, but we all know from  
experience  
14 that that is not enough to win elections.

15 The CFB program allowed us to produce high quality  
16 campaign literature, hire a staff, hire an election  
lawyer.  
17 As a first time candidate, it allowed me to effectively  
18 transmit a message of change and put together and sustain  
a  
19 campaign operation that was unrivaled in energy and  
impact,  
20 even by the incumbent. That is why it's so important  
that  
21 we work out the kinks in the program. In fact, creating  
a

22 system that is free of fraud and oppression of big dollar  
23 corporate interest group influence does not necessarily  
24 ensure fairness if the scourges of opaqueness and  
25 bureaucracy and over complication are not recognized and

1 beaten back.

2 In general, let me say that I was consistently  
3 impressed with the dedication of the work and  
4 professionalism of the staff. I want to give a special  
5 shout out loud and thank you to Ilona, who landed on the  
6 job almost at the exact moment I entered the program. I  
7 would say in some ways we learned this process together,  
8 and I never doubted for a second whether she was  
9 championing our cause or that of other candidates. My  
10 critique of the program has little to do with the  
11 individuals and everything to do with the system you set  
12 up.

13 While it would be easy to get bogged down in the  
14 weeds, I think it's important to pull back a little and  
15 recognize some of the more thematic challenges with the  
16 program; that is because the CFB did not communicate  
17 clearly what information was most important to glean  
18 because it did not adequately explain the back room and  
19 process and relationship between front line staffers and  
20 the auditors because it did not openly and plainly let  
the  
21 campaigns in on the front line picture. We were forced  
22 into a consistently reactionary posture where we were  
23 learning the rules of the game, training not  
withstanding.

24 Perhaps more importantly, there was no occasion that

of

25 CFB had a true appreciation for the rhythms and reality

1 the very campaigns that they were designed to assist.  
Some  
2 examples are guidance on how to report on credit card  
3 contributions was, in a word, horrible. We were  
constantly  
4 in the dark about what was exactly needed to sustain  
5 compliance. In fact, the more information that we  
6 provided, the more exceptions were cited.

7 What is worst, the campaign was never provided with  
a  
8 clear understanding of who to talk to about certain  
9 information and what to expect from that person. In the  
10 most egregious cases, CFB staff was internally  
11 contradictory and just plain wrong. That is, one person  
12 would say one thing and someone else would say just the  
13 opposite. By definition, there is the great deal of  
14 complexity when you're talking about something like  
15 campaign finance. If campaigns had mandatory advance  
16 training on how the CFB works internally, there might  
have  
17 been a greater capacity to navigate inevitable incidences  
18 of human error.

19 It became obvious, after some time with the  
integrity  
20 of the contribution card, especially of cash  
contributions,  
21 was of paramount importance to the CFB system a FAQ and  
22 some guidance on common problems associated with

for

23 contribution cards would have been helpful. Also codes  
24 communicating invalid claims were just down right user  
25 hostile and gave you no indication of what the problem



1 was. Some examples of redeeming matching claims would  
have 2 been extremely helpful.

3 Doing business with the city database was often  
4 inaccurate, and there was no way of appealing or making  
5 corrections to what we felt were inaccuracies. Some  
6 explanation of best practices, rather than what is  
7 mandatory, would have been helpful in order to receive  
back 8 dollars and some kind of guide to common problems and  
9 challenges would have been helpful. CFB needs to do a  
10 better job of connecting the special disclosure filings  
11 with the specific campaign dates. The campaign was  
unsure 12 as to what they were to provide at strategically  
important 13 moments.

14 One last issue that I would like to address is the  
15 payment schedule, I believe, comes far too late in the  
16 game, within six weeks of the actual election. The  
17 campaign is truly reliant on CFB. If a campaign is truly  
18 reliant on CFB, you are provided with insufficient time  
to, 19 in essence, state your case. If you need to engage in  
what 20 my campaign manager calls an active impeachment of the  
21 incumbent, then six or four weeks before the election is  
22 far too late to make a sizable impact.

23 I understand that the CFB is tied somewhat to the  
24 petition process and doesn't want to release funds until  
25 place on the ballot is secured, but either advocacy

a

moving

1 the petition process back or somehow otherwise shifting  
2 the payment calendar in the primary is necessary to  
3 fulfilling the CFB's commitment to creating opportunities  
4 for grassroots, less entrenched candidates.

5 The filing calendar for the general election is  
6 horribly disjointed, with some of the filings coming back  
7 to back. It is incredibly insensitive to the realities

and

8 day-to-day demands of a campaign.

9 Those are essentially my comments, as well as my  
10 praises, as well as my critiques of the CFB. I will  
11 my remarks up. I know that you haven't been asking a lot  
12 of questions, but I encourage you to do so while I'm  
13 here. I don't have the benefit of my campaign staff, but  
14 worked closely enough with them.

write

I

15 THE CHAIRMAN: Thank you very much.

16 MS. PATTERSON: When you say the database was  
17 inaccurate, in what way? That is a new system. We are  
18 trying to iron out the kinks in it.

showed

19 MR. GRIFFITH: There are some people who  
20 up as lobbyists who told me point blank that were not.  
21 Some people showed up as doing business with the city.  
22 They had been doing business at some point in time, but  
23 that relationship had been severed a long time ago;

24 actually had no relationship whatsoever with the city. I

25 understand that you -- you need a chance to update the

1 files. That is understandable. It's just that there was  
2 no opportunity to update the files or again to challenge  
3 any of those findings and that is what I found most  
4 frustrating.

5 MR. CHANG: Your comments are extremely clear.  
6 Because of that clarity, I would love to hear you be more  
7 specific about the kind of training or advance help that  
a first time candidate should have in order to be able to  
8 better operate under the system.  
9

10 MR. GRIFFITH: The training that I received  
11 really wasn't thorough. Gave basics on the CFB, a fairly  
12 good training, and gave you an idea on the commentary and  
13 basic things like that. CFB was looking for term of  
14 expenditures and raising the money. Again, once the  
15 campaign really got under way, there was information that  
16 was requested. That again, they received it. We  
17 understood on a superficial level what was needed and  
what  
18 was being requested, but we didn't completely understand  
19 why it was needed. In other words, what is the bottom  
line  
20 here? What did the CFB need in order to ensure you were  
21 running a campaign that was free of fraud, that was in  
22 compliance, doing all the things it should have been  
23 doing.

will, 24 Oftentimes we were getting the front end, if you

25 of the question and we were oftentimes responding kind of

1 in the dark just basically responding according to the  
2 letter of the what was given to us rather than a broader  
3 sense of what was truly needed. I think for instance,  
you  
4 know, when we would talk to you, I would talk to you  
folks,  
5 I would talk for instance an auditor, in some cases that  
6 auditor gave me wrong information. I later heard from  
7 another CFB's staff person that you know what, you should  
8 have talked to me.

9 That is all well and good well and good, but my  
thing  
10 is if I'm system user, if I'm an end user and I'm talking  
11 to the CFB, no matter who I'm talking to in the system,  
I'm  
12 taking their word as gold. I'm taking it as the official  
13 word. I'm not making the distinction between auditor or  
14 anyone else in the system. If my campaign had a better  
15 understanding of those relationships and had the back  
room  
16 actually looked and interacted between the two and how  
the  
17 CFB was structured in general, I think we would have been  
18 in a much better position to have all the answers, all  
the  
19 questions that were necessary to go to the right people.

20 Again, I just felt like the people we were working  
with  
21 and our campaign were sort of learning everything kind of

22 at the same moment. That led to a lot of communication  
23 breakdowns and difficulty.

24 MR. CHANG: What I'm hearing you saying, if I  
25 could repeat something, is that the initial training is



1 insufficient for a first time candidate.

2 MR. GRIFFITH: It's very good, but  
3 insufficient.

4 MR. CHANG: But the first time candidate needs  
5 to be supported as requests are made in extreme with more  
6 questions and comments.

7 MR. GRIFFITH: That is very good. That has to  
8 be a deeper tissue working. Candidates and their staff,

I

9 understand in the midst of a campaign, no one wants to

take

10 time off and come down to the Rector Street and sit for

two

11 or three hours in training. At the end of the day, there  
12 was simply information that we did not have. Had it been  
13 delivered to us in a more comprehensive way, the whole  
14 staff would have been more efficient.

15 MS. PATTERSON: Is there access online for  
16 FAQ's?

17 MR. GRIFFITH: In general, yes. The one that

I

18 was talking to was drilling down a little deeper to the  
19 contribution cards for instance.

20 MS. PATTERSON: Just out of curiosity, because  
21 you have been talking about what kind of electronic means  
22 did your campaign use to get out of the word?

23 MR. GRIFFITH: Everything. You have to

24 understand, my campaign manager was twenty-three years  
25 old. It was very important. We couldn't rely on -- in

our

1 district in particular, we ran a very grass roots  
campaign.  
2 We went door to door. I would say seven out of ten  
people  
3 that we talked to door to door either did not have an  
4 e-mail address or did not check their e-mail on a regular  
5 basis. Sending an e-mail blast would not have been good  
6 enough. Unlike a national race, you can't put things on  
7 air or put things in newspapers because it doesn't hit  
the  
8 select eight thousand people who voted in our primary  
9 election.

10 I would say that as far as our use of technology, we  
11 were again, this is a biased opinion, we had surpassed  
12 everyone else. We Twittered, we were on Facebook, our  
13 Website was updated, not just on a daily basis, but  
several  
14 times during the course of the day. We had regular e-  
mail  
15 blasts out of that. That was very important part of our  
16 campaign strategy.

17 THE CHAIRMAN: Thank you very much. We look  
18 forward to your final comments.

19 (Time noted: 12:28 p.m)

20 THE CHAIRMAN: John Lewisi.

21 MR. LEWISI: Good afternoon. I thank you for  
22 the opportunity to speak and I don't have prepared  
23 commentbut I have a few very specific issues that I would

in 24 like to raise. I was a candidate for Borough President  
25 Staten Island. I participated in the matching fund

1 program. I have a couple of very specific issues and  
most 2 importantly the concept of the debate.

3 Currently, the debate is only required for city-wide  
4 candidates. I believe that in the situations  
specifically 5 with borough president, and I think with regard to the  
City 6 Council members, the required debate should be expanded  
to 7 include those offices. My opponent, the incumbent, took  
8 advantage of hundreds of thousands of dollars of campaign  
9 board matches, and he outright refused to engage in any  
10 debate or public forum whatsoever.

11 I think the public exchange would have ideas and  
12 seeing candidates side by side answering questions in a  
13 controlled forum is absolutely paramount in our  
Democratic 14 system, especially if one is going to take advantage of  
15 public funds, one should put ones self out in front of  
the 16 public and be required to do so. If it can't be in the  
17 format as it is for the city-wide candidate, at the very  
18 least, the CFB should prescribe that a venue be  
specified.

19 It could be a public school within the district. There  
20 hardly needs to be any required expenditures, other than  
21 opening up of a school and perhaps to specify particular

held. 22 guidelines as to how the debate can be and should be

23 There was one Council candidate running against the  
24 incumbent. When he challenged the incumbent, the  
incumbent

25 put forth specific requirements for the debate, including

in  
1 the fact that there be no more than five people present  
2 the room and there be members of his own party and so on  
3 and so on. It was a joke. On to my own opponent  
4 challenge, I was in one public forum at one civic  
5 association and we were permitted to ask each other one  
6 single question only, and my challenge to the incumbent  
was  
7 do you agree to debate me. After this, he flat out  
8 refused. He said no, absolutely, positively not. I will  
9 not give you any opportunity to show yourself, and  
10 certainly the underlying cause of it so as not to  
embarrass  
11 him.

12 That is my one very firm recommendation to the  
13 Campaign Finance Board. The second issue that I had was  
14 that with regard to the high spending non-participants, I  
15 had the good fortune to be selected as a running mate of  
16 the high spending non-participant. The high spending  
17 non-participant went out of his way on Staten Island to  
18 include my opponent in much of his literature, and it was  
19 also handed out by his paid staff people, not volunteers,  
20 at venues that we were similarly attending, such as  
21 shopping centers and so on. I'm not sure how CFB accounts  
22 for that, but there certainly needs to be some provision  
23 for that because it seems to be tremendously unfair as  
24 being the primary candidate against the high spending

25 non-participants.



1           The third issue is the use of government resources  
2           close to an election. I have one suggestion because there  
3           was flurry out of the Borough Hall like none other than  
4           perhaps one of our blizzards of last year, where all of a  
5           sudden mailings came out daily, right up to and possibly  
6           even beyond the deadline. I guess the mail was a little  
7           slow on those days.

8           What I would suggest as a solution is that the CFB  
not  
9           permit mailings that exceed the mailings of previous four  
10          years of this administration as a way of controlling what  
11          might otherwise pass as campaign literature. And I use  
the  
12          word "literature" sparsely there. It certain seems to be  
13          terribly inappropriate to all of a sudden have a flurry  
of  
14          activity out of Borough Hall when normally there might  
not  
15          have been anything for most of the previous three years.

16          The other aspect of this hearing relates to lowering  
the  
17          amount to one seventy-five and matching the raising the  
18          matching to six to one. I found it to be beneficial as a  
19          challenger as against an incumbent. It's difficult to  
20          raise money. People that are seeking to curry favor, or  
at  
21          least be on the winning side of the likely victor, the  
22          incumbent, has no difficulty raising the funds, and

23 lowering the threshold increases the potential for  
24 challengers to inch to that. That is a positive step.  
25 Furthermore, communications focusing on electronic

1 communication, I think, is a dramatic and positive step  
to  
2 be made. It's so much easier when one is in the throes  
of  
3 a campaign, one continued to rely on the electronic media  
4 and mail tends to times be put aside, or well after it  
5 should have been opened, as was the case with the  
6 information from Campaign Finance Board regarding the  
7 leaders.

8 I thank you for the opportunity to speak with you.  
I  
9 look forward to swiftly closing out my old campaign and  
the  
10 remaining issues, but I think these in particular are  
steps  
11 that can help make a much more level playing field for  
12 future participants, and I thank you for the opportunity  
to  
13 speak. Thank you very much. I appreciate it.

14 (Time noted: 12:54 p.m.)

15 THE CHAIRMAN: Our next speaker is Joe  
16 Nardiello, candidate for City Council. Welcome, Joe.

17 MR. NARDIELLO: Thank you for waiting. Thank  
18 you for this opportunity to reflect on the 2009  
elections.

19 Absolutely, I want to praise the patient work of the  
staff  
20 of the Campaign Finance Board on the friendly, and  
helpful

Matt

21 on every floor that I visited, from Celine Mendoza to

22 Douba right here on Rector Street.

23 As a candidate for City Council, I have been witness

24 to the process from the inside. My perspective is from a

25 pure grass roots campaign and one that I was conducting

1 against immeasurable odds. We tried to beat both major  
2 parties and bring a voice that can elevate what a city  
3 councilman can do, reflecting the increasing costs of  
4 living in Brooklyn. I visited about ten times in June  
5 here, which I decided, which is quite late by political  
6 standards, that I would try to run a political campaign.

7 It was the textbook definition of a grass roots  
8 campaign. In fact, I had gotten my urge to do grass  
9 do the organization and would recommend their team to  
10 anyone. What would surprise people at the first was that  
11 this was a Republican campaign, and we won the party's  
12 nomination with seventy one-percent of the vote. It took  
13 significant amount of work trying to get that done.

14 Across July, August and September, which is a little  
15 less than three months, we were trying to end  
16 partisanship. But we were far from halfway there on  
17 September 16th. That could have been called a David  
18 Goliath sort of victory from a campaign so small that I  
19 have yet to record a withdrawal, a detail I cannot use my  
20 home Mac computer since your program is Windows based.  
21 There are campaigns that elected not to use that matching  
22 funds out of the principal, this being a re-investigation  
23 because I felt the dollars were better spent on police

roots,

a

versus

and

24 education and a ton of other services, which are soon to  
25 feel a ton of budgetary cuts which is soon to come.

content  
of  
political

1           As an outsider, I have never seen people more  
2           at losing, even winning candidates bank their funds and  
3           those that feel there is hardly a contest, saving their  
4           donations, and bank the six to one matching public. The  
5           reason being they were more -- they are already thinking  
6           career moves down the line politically, and spread the  
7           wealth to placing when a check comes in handy for  
8           patronage.

New  
tried

9           Recommendation number one is for clean elections. I  
10          know it's a term tried elsewhere and a term commonly  
11          used. Let's face it, there is essentially one party in  
12          York City. The election comes. Now the case with the  
13          Working Families Party, which is allowed to help one  
14          Democrat per election. I didn't see any accounting of  
15          that, what they do and how they do it and how much it's  
16          costing the working family per day. Some cities have  
17          giving candidates an equal amount of money that can't be  
18          surpassed and maybe New York City should consider that to  
19          bring equal voices to the table.

16th

20          Let's say thirty thousand for a contested primary in  
21          the City Council races and another thirty thousand for  
22          general elections, which in my case was only September

23 to November 3rd, or a month and a half to win the general  
24 election. If we want better government, we have to avoid  
25 having it work for people who know how to work the



1 system. The answer is not giving away much funding and  
2 not rigging the process for the most connected to raise  
the  
3 most money. Those people that know the system can take  
4 full advantage of loopholes and thought that you're  
5 innocent until proven caught or innocent until caught and  
6 time in between. In the time of in between of being  
7 caught, you can conjure an excuse.

8 From the outside, people that follow politicians and  
9 office holders are corrupt and self-serving. My  
10 recommendation is ask a candidate for the money back.  
11 We're in a recession quite unlike anything in our  
lifetime  
12 where budget cutting is going to cut a lot of social  
13 services, which was delivered, as we said, a six to one  
14 matching rate. Should be required and should be returned  
15 back to the city coffers tomorrow. I'd like to remind  
16 every candidate and treasurer of both winning and losing  
17 campaigns, we are in year three of what the president  
used  
18 to call the great recession.

19 I'll be brief with the rest of my recommendations,  
20 which are only four more. Thank you for waiting. I'm  
very  
21 aware of being the last here. I will expedite it.  
22 Wasting money on postage for a small campaign is a very  
23 significant part of the running a campaign for the most

24 part. We can get this information from the Board of  
25 Elections, which has to do in tandem with the Campaign

who  
1 Finance Board, but we really need to update the list of  
2 the registered voters are. There are people who are  
3 deceased for thirty years. I put my return address on  
4 mailings, which is usually not done, and I know why,  
5 because I get thousands of them a day stuffed in my  
6 mailbox.

7 Again, I ran a small campaign out of my living room.  
8 They're still coming in. I have, if I mail to twelve  
9 thousand independent voters and affiliated -- I easily  
have  
10 gotten three thousand back that can't be delivered. That  
11 doesn't even count the people who received them and are  
not  
12 the people who they were addressed to. That needs to be  
13 upgraded. Again, Board of Elections. That is the  
summary  
14 of the the entire process.

15 You have to get signatures, a percentage of  
signatures  
16 to get the ballot. That five percent is based on a  
number  
17 that is inflated. That makes it much tougher to run a  
18 campaign from the start. Through expenditures, some of  
19 which is public moneys, most of which is wasted on direct  
20 mail. A lot of it goes to no one.

21 Recommendation number four, I believe that the  
22 Campaign Finance Board, as well as the Board of  
Elections,

23 as well needs needs an investigative arm. You need  
someone  
24 with teeth, someone that is independent, someone who is  
not  
25 afraid to find a Democratic doing something wrong. I  
only

1 say that half kidding. We have to find what the problems  
2 are as they go on, and put people's feet to the fire and  
3 find them in the process of elections. That can be done  
in  
4 a matter of days or weeks, if you had a strong unit who  
was  
5 extremely proactive and aggressive about it. I would  
whole  
6 heartedly recommend amplifying that. You do that by  
7 supporting funding, which is important for the honesty of  
8 the electorate.

9 You have to remember someone like me who has been  
out  
10 to four or five households, at people's doorsteps. I  
have  
11 felt it and seen the anger of the persons at the door and  
12 the two or three people over the shoulder expressed,  
13 because I was a small campaign, I saw it in person. I  
14 didn't have staff out there. I got the full brunt at the  
15 door hundreds and thousands of times. We have to gain  
the  
16 trust of people who vote so we get more people to vote,  
so  
17 we can get better elected officials so we can get better  
18 government.

19 Number five. I'll keep it short and make it five A  
20 and five B. Something uncontrolled is the video voter  
21 guide. Again, I came late to the process, so I had to do  
22 the voter guide in a matter of hours to put together my

23 edition to the voter guide. It was due five o'clock on  
24 whatever Friday it was. I became a candidate maybe a day  
25 before that. I had to write it down and get the number

of

1 characters down at the computer, and thank you very much  
2 for having these computers, by the way. It's not only be  
3 super, but the ability of having the monitors in your  
4 office to be able to type that and get it in.

your  
5 I may have been one of the only candidates not in  
6 video voter guide. I was working that day. Couldn't get  
7 out of work, and I think it was held eleven a.m. that  
8 particular day. I ask that the video voter's guide be  
9 flexible, capable of being done lunch time or after work.  
10 There is nothing wrong with it being done seven a.m. The  
11 people may look like they just got out of work, but there  
12 is nothing wrong that.

13 Certainly after the primary, we had a specific issue  
14 one of the candidates claimed that he was the only  
15 candidate to have children in public school. I have  
16 children in public school out of necessity and certainly,  
17 there were other candidates with children in public  
school;  
18 that was factually inaccurate. Whether it was eighty or  
19 ninety thousand voter guides that went out, that was not  
20 true. We tried to change it. We had two weeks in  
21 advance. We weren't able to do it. It was changed  
22 online. I thank everybody involved in the changing of  
it.

23 We had people involved in the system.

24 If that is important to them and they read it in

25 detail and found out this one person was claiming to have



being  
climb

1 children in public school and these other people, one  
2 the Republican, which is difficult to do in an uphill  
3 that, didn't work in that favor.

4 The last thing is to appreciate everything you have  
5 done. From when you walk in the building you're helpful.  
6 I went to underscore you have a fantastic staff and I  
7 appreciate that. Thank you very much.

8 THE CHAIRMAN: Thank you. We are already ten  
9 minutes overtime. We have people on busy schedules.

10 MS. LOPREST: Someone called this morning and  
11 asked if you could come and speak.

12 MS. BREWER: Thank you. I'm Gail Brewer and I  
13 represent the West Side of Manhattan and I just  
14 participated in the general election, not primary. I  
15 want  
16 to first, listening to the other gentleman, I want to  
17 thank  
18 particularly Ilona Kramer, who was our assigned  
19 representative and phenomenal.

20 The issue here is what I called Jesse's database.  
21 Jesse is the one who built it. I've known him for thirty  
22 years. Education about doing business with the city  
23 database, lots of challenges. Perhaps it's only in  
24 Manhattan, but we have received a lot of checks from long  
25 time board members of large non-profits as well as

24 prominent lobbyists and other professionals who meet the  
25 definition of doing business with the city, and it was

1 surprising to me that none of them heard of the database,  
2 and that they were not supposed to give more than two  
3 hundred fifty dollars per person.

4 These are people in the press every day, extremely  
5 educated and very much follow the law. They had no clue  
6 the database. We want to follow the law. We then had to  
7 return probably fifteen or twenty checks, or at least  
8 portion there of. I don't think that they understand why  
9 they got checks back.

10 I voted for the database, but I do think that the  
11 education of the public at large -- I then talked to some  
12 colleagues in Brooklyn and Bronx and on. So because they  
13 don't have a large non-profit they had no problem with  
14 situation. It's probably because I have so many  
15 individuals. I'm not really talking lobbyists. They  
16 to know about it, but certainly non-profit board members  
17 do not.

18 Second thing. If you change jobs and you are no  
19 longer doing business with the city but you were still on  
20 the database, my husband, who is a treasurer is much more  
21 anal than I am, would keep the money. I would give the  
22 money back. The person who changes jobs has to tell

to

some

this

seem

do

Jesse

23 or somebody that this database is no longer relevant to  
24 them. That is a cumbersome process. We return the money  
25 rather than having the experience of going through an

1 embarrassing situation. That has to be done in some kind  
2 of online form. Something easier than sending a letter.

3 The other issue is once contributors have been flagged  
4 as on the database then we had to check every single  
person  
5 who contributed to see if they're on it. Even if they  
gave  
6 less than the two hundred fifty dollars, maybe there  
could  
7 been a column on the C-Smart that lists all the people on  
8 the second of overlap between the two databases, yours  
and  
9 Jesse's. We had to check every single person who  
10 contributed to see if they're on it.

11 The other thing would be the issue of those who do  
not  
12 take campaign money today. There was a nice article in  
the  
13 Crane's listing those of us who did not have major  
14 competition and did not take money. I appreciate that is  
15 listed. I think that is the right way to go. I think  
that  
16 is an important fact. It is still just as cumbersome for  
17 those that doesn't take money as those that do. I don't  
18 know if there is a way of doing that differently.

19 We all have pressures and people have that input.  
How  
20 many hours it took my friend to do it, I do not  
calculate.

money

21 It was a great deal. We don't take a penny of public  
22 in any way, shape or form. There might be a way of  
23 streamlining the properties for those that don't take  
24 public money.

were

25 The training was extensive. However, people who

1 participating in the input felt the training had to be  
more  
2 in depth. It was a very complicated process,  
particularly  
3 because of the database issue. There are people that are  
4 not on the database that do business with the city. I  
5 found two that you will never find. I am sure there are  
6 others. I think the whole database issue -- that would  
be  
7 my summary -- needs to be looked at in terms of a huge  
8 monster that you need to address and find out how you can  
9 address that.

10 (Time noted: 1:15 p.m.)

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CERTIFICATION

STATE OF NEW YORK)  
 )  
COUNTY OF SUFFOLK)

ss:

of  
held  
this

I, JUDI GALLOP, a Stenotype Reporter and Notary  
Public for the State of New York, do hereby certify:  
THAT this is a true and accurate transcription  
the New York City Campaign Finance Board meeting  
on December 2, 2009.

I further certify that I am not related, either  
by blood or marriage, to any of the parties in this  
action; and

I am in no way interested in the outcome of  
matter.

IN WITNESS WHEREOF, I have hereunto set my hand  
this 20th day of February, 2010.

\_\_\_\_\_  
JUDI GALLOP



