

Testimony Prepared for  
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by  
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I'm Marcy Benstock, Executive Director of Clean Air Campaign Inc. (CAC) and its Open Rivers Project. Thank you for the opportunity to comment on several of the questions which were sent out with the Campaign Finance Board (CFB) Nov. 6, 2009 notice for this hearing. And congratulations on making a significant amount of information on 2009 campaign contributors available on CFB's website before the November election.

The CFB questions near the end of your list were some of the most important, since they deal with CFB-sponsored pre-election debates, and with CFB's searchable database of campaign finance information and other online resources.

Bringing fresh faces into City government with public matching funds alone won't serve democracy if City government itself is undemocratic. The CFB has the power to deter corruption and make City government more transparent, accountable, and accessible to citizens who don't have a lot of money. The CFB has a mandate to do this by fostering robust debates on important issues before elections, and by maximizing transparency and the public availability of all possible information on what's called "pay-to-play"—the ways in which campaign contributors, lobbyists and other people doing business with the City seek to influence the use of public resources.

I. The first CFB questions I'd like to discuss are on the CFB-sponsored debates:

"Do you believe the...formats [for CFB-sponsored debates before the November election] provided a balanced discussion of important issues?"

"Do you have any ideas to improve the citywide Debate Program for the next election?"

I watched the two Mayoral debates on television this fall before the November election. When the television station NY1 held its usual Friday Reporters' Roundtable after the first Mayoral debate, Village Voice reporter Wayne Barrett expressed astonishment that the candidates weren't asked how they would address the City's multi-billion-dollar budget shortfall, and their public spending priorities. Yet I don't recall much, if any, discussion on this overwhelmingly important issue at the second debate either.

How was this allowed to happen? "Budgets are policy," as former Mayor David Dinkins--and probably every other Mayor--has said. The Mayor (along with the City Council Speaker, who plays a lesser role) controls the \$60 billion annual budget for New York City. That budget determines much of what gets built and where: what public services New Yorkers do and do not get; what mega-deals for real estate developers may get put together; and, indeed, whether or not many residents and small businesses will be able to stay in the City at all, or whether we'll be forced to leave.

It would be hard to imagine a more important set of questions for Mayoral candidates to be asked about, and for voters to hear the answers to, in CFB-sponsored debates than questions about upcoming budgets and public spending priorities. Some of the questioners would need to be knowledgeable about the City budget and how it affects policy issues New Yorkers care about.

But this could be taken care of in a number of different ways, including public review of proposed budget questions in advance. Voters in a functioning democracy deserve informed debate before elections on how their tax dollars are going to be spent.

II. A second important set of CFB questions had to do with the campaign finance and other information in CFB's searchable database and on its website:

"The CFB makes much of the information it shares with the public and with candidates available on its Website. Can you think of any other information that should be available there?"

"Do the CFB's searchable database of campaign finance information and other online resources provide an appropriate level of disclosure to the public? Do you have any suggestions to improve it?"

One of the most important tasks the CFB has been charged with is the identification of entities and people who do business with the City--or hope to get contracts or other benefits in the future--and enforcing new requirements restricting those people's campaign contributions.

In its May 2008 edition of its newsletter "Full Disclosure," the CFB reported on its progress with these so-called "pay-to-play" reforms. A "Doing Business Database, known colloquially as DBDB," was scheduled to be completed by Dec. 3, 2008, the newsletter said.

To prepare for this hearing, I looked up City Council Speaker Christine Quinn's 2009 contributors on the CFB's "Searchable Database" yesterday. I also tried to use CFB's "advanced search" function to look up the names of "bundlers," and was unable to find them. This exercise prompts the following comments.

1. Some of the contributors who are lobbying the Council (directly or indirectly) on important land use and spending priorities issues involving hundreds of millions of taxpayer dollars listed their affiliations as "self-employed attorney" or "retired." The CFB needs to insure that such people are captured in its databases.
2. Clean Air Campaign testified at a Jan. 31, 2005 CFB hearing on "pay-to-play" that the lobbying role of not-for-profits with benign-sounding names was growing. That problem is even worse--much worse--today. Groups with names like "Friends of Hudson River Park" are lobbying for leases, contracts, and other benefits from the City, and for projects and programs with immense financial implications.

CAC also noted in 2005 that key people seeking financial and land use benefits from the City may operate through dozens of different entities. We recommended that as many of the individuals as possible connected with each entity be covered by pay-to-play regulations and databases. That doesn't seem to have happened yet.

3. CAC recommended in 2005 that cumulative and long-term contributions be disclosed. Multiple business dealings within the longest possible time periods and by affiliated entities and people should be aggregated to avoid understating the magnitude of continuing financial relationships. When I tried to find cumulative and long-term contributions on CFB's website yesterday I couldn't do it. If the information is in there but hard to find, better instructions for unskilled citizen watchdogs may be needed.

Conclusion. Arthur Levitt, the former Chairman of the U.S. Securities and Exchange Commission, worked to end "pay-to-play" in the municipal bond market when he headed the SEC. He sent testimony to the CFB for its Jan. 2005 hearing on pay-to-play. We hope you'll be inspired by his closing statement. "...taking on pay-to-play does not win you many friends among politicians," Levitt said, "nor among those in the industries you seek regulate. But as you move forward, I would offer these words of advice: remember that you serve the citizens of your City, and the need to improve public trust and faith in government could not be more urgent."

Thank you. I'd be happy to answer any questions you may have.

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