



NEW YORK STATE SENATOR

Terrence Murphy

## “BDB loophole,” already election law crime, is criminal money laundering under fast track bill

TERRENCE MURPHY May 6, 2016

| ISSUE: **ETHICS REFORM, ELECTION LAW, CAMPAIGN FINANCE, BILL DE BLASIO, CORRUPTION**



ALBANY, NY – Ten days ago Senator Terrence Murphy courageously stood up to New York City Mayor Bill de Blasio as allegations relating to illegal donations from his failed attempts to buy the New York State Senate in 2014 came to a head. This morning, New Yorkers woke up to a sixth separate investigation into Team de Blasio’s fundraising apparatus, with reports that during his 2013 Mayoral bid, people were listed as contributors while apparently having no knowledge making any such contributions.

Under Senate bill 7381, a law being fast tracked in the New York State Senate, these latest allegations along with others would be considered criminal money laundering.

Spanning from Suffolk County, through the five boroughs, and following the thruway to Erie County, New Yorkers have grown incredibly suspect of Mayor de Blasio and the Senate Democrats as the U.S. Attorney's Office, Manhattan District Attorney's Office and Putnam County's District Attorney's Office probe into these questionably legal actions.

Today, Senator Terrence Murphy, who first sounded the alarm in 2014 of more than \$600,000 being funneled into Putnam County Democratic Committee's bank account, announced his proposed legislation would be voted on by members of the Senate's Election Committee when lawmakers returned to Albany on Monday.

"This legislation strengthens the penalties for the BDB Loophole, which is already an illegal act under New York State's election law," Murphy said. "New Yorkers from all parts of our State are demanding action be taken in light of the allegations tying Mayor de Blasio and the Senate Democrats together through illegally prearranged transfers from county committees to handpicked candidates. This bill will give authorities more teeth to hold law breakers accountable for their actions."

Under current law it is illegal to contribute money to a county or town committee for the benefit of a specific candidate to whom one cannot donate money directly. Further, it is already illegal to hide the identity of a donor, which is also known as using straw donors.

This legislation will further criminalize these acts by increasing the offense to a Class D felony for soliciting and directing these unlawful contributions. Furthermore, the legislation also moves the use of straw donors from a misdemeanor under the election law to a money laundering felony. Under current law, a violation of these laws is punishable by up to a year

in prison. This legislation would elevate these crimes to a Class D felony which is punishable by up to seven years, per violation.

Senator Sue Serino said, "Ethics reform needs to take center stage in Albany and the traction this bill has gained sends a strong message that individuals who knowingly circumvent the system in place to keep campaigns open and honest need to be held accountable. This bill is about deterring flagrant violations to restore the public's trust and the integrity of our elections and I hope that my colleagues in both the Senate and the Assembly recognize its significance and make its passage a high priority."

Senator Tom Croci, Chair of the New York State Senate Ethics Committee, said, "I applaud Senator Murphy for his bill to increase penalties against illegal campaign contributions. Elected officials have an important responsibility to adhere to ethical behavior that is required to maintain the trust of the people of New York. I support increased penalties against those that have committed these crimes and they should be held fully accountable for their unethical and criminal behavior."

Senator George Amedore said, "The recent investigations into Mayor de Blasio's flagrant abuses of the law and attempts to skirt campaign finance laws have highlighted the need to ensure anyone using these dirty tactics are held accountable. This legislation is a good step to improve the system and begin to restore the people's faith in government."

The use of straw donors has become a focus in recent days as more information surfaces of the questionable tactics traced back to Team de Blasio. Investigations are already believed to be under way stemming from allegations of these practices in Suffolk, Monroe and Putnam Counties in 2014.

To date, no arrests have been made.

## 2015-S7381

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- Introduced
- - In Committee Assembly
  - In Committee Senate
- - On Floor Calendar Assembly
  - On Floor Calendar Senate
- - Passed Assembly
  - Passed Senate
- Delivered to Governor
- Signed By Governor
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Relates to penalties for unlawful campaign contributions to county or town committees

April 22, 2016

In Senate Committee [Rules](#)

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Do you support this bill?

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