



NEW YORK STATE SENATOR

Dean G. Skelos

Governor Cuomo, Majority Leader Skelos & Speaker Silver Announce Agreement on Historic Ethics Reform

DEAN G. SKELOS June 2, 2011

Governor Andrew M. Cuomo today announced that he, Senate Majority Leader Dean Skelos and Assembly Speaker Sheldon Silver have reached a three-way agreement on an ethics reform package that creates unprecedented transparency, strict disclosure requirements, and an enforcement unit with broad oversight of New York State government. The Governor, the Legislative Leaders and good government groups will hold a formal public announcement of the agreement on Monday in Albany.

The Clean Up Albany Act of 2011 establishes an independent Joint Commission on Public Ethics with robust enforcement powers to investigate violations of law by members of both the executive and legislative branches, oversee their financial disclosure requirements, and oversee lobbyists with newly expanded disclosure rules and definition of lobbying.

The Act significantly expands disclosure requirements and, for the first time, makes the information fully available to the public. The Act requires affected state employees to disclose income from outside employment and the names of clients or customers. The measure also requires these employees to disclose whether their outside clients have business before the state, including any proposed bill or resolution before the Legislature, any contracts or grants from the state, or any proceeding involving a state agency. The Act establishes a new database of any individual or firm that appears in a representative capacity before any state governmental entity and requires, for the first time, that state agencies track and report all such appearances to this database.

"I have repeatedly said that in order to get this state back on the right track, we must end the dysfunction and corruption that has plagued Albany for far too long and bring integrity back to the halls of our Capitol," said Governor Cuomo. "This bill is the tough and aggressive approach we need. It provides for disclosure of outside income by lawmakers,

creates a true independent monitor to investigate corruption, and spells out tough, new rules that lobbyists must follow. Government does not work without the trust of the people – and this ethics overhaul is an important step in restoring that trust."

Senate Majority Leader Dean G. Skelos said, "I am pleased to be part of this historic ethics reform agreement, and want to thank Governor Cuomo, Speaker Silver and Senators Lanza, Hannon and Flanagan for their hard work in putting this package together. After passing an on-time, fiscally responsible budget and reaching an agreement on a property tax cap, this ethics agreement signals that we've taken another step in restoring the public's trust in their government. Last year, Senate Republicans said we could do better than the ethics bill that was presented to the Legislature and ultimately vetoed by the previous governor, and today we have done so."

Assembly Speaker Sheldon Silver said, "On behalf of the Assembly, I salute Governor Andrew Cuomo for his leadership and perseverance in forging this necessary and important agreement on ethics reform. Today's agreement will strengthen our citizens' faith in their government and hold accountable those who betray the public trust by requiring more extensive financial disclosure and creating additional penalties for those who break the law. While it is true, as in any profession, that some legislators and lobbyists have taken advantage of the system, the vast majority of my colleagues are hard-working, caring and public spirited. I am proud to sign on to today's agreement because I believe that transparency and accountability are the pillars of good government."

Susan Lerner, Executive Director of Common Cause/NY said, "The ethics reform proposal that the Governor and the legislative leaders have hammered out announces significant, long-awaited changes in the framework of New York's ethics laws. It addresses challenging ethics issues such as disclosure of legislators' outside income and external review of legislative and executive conduct and includes important new provisions such as regulating independent campaign expenditures and providing the public with relevant information about who is paying for certain groups' lobbying activities. Common Cause/NY commends the Governor, Speaker Silver, and Temporary President Skelos for their perseverance in unraveling what has for decades been the Gordian knot of ethics reform. We look forward to working with them to accomplish the remainder of the Governor's reform agenda - campaign finance reform and fair redistricting."

Steve Younger, Former President of the New York Bar Association said, "This is an historic moment for all New Yorkers. This new measure will enhance transparency in our government and ensure both independent and fair enforcement of our ethics laws. Today's agreement on comprehensive ethics reform is a tribute to Governor Cuomo, Senate Majority Leader Skelos and Assembly Speaker Silver."

Dick Dadey, Executive Director of Citizens Union said, "Today's announcement on a far-reaching ethics deal is welcomed and significant. It is an important and much needed achievement because it brings about several historic actions such as the first-ever client and rainmaker disclosure by legislators, narrower bands of income disclosure, publicly available financial disclosure statements, outside investigatory authority of legislative ethics, pension forfeiture options, as well as a reconfiguration of the state ethics panel resulting in no one elected official controlling a majority of the appointments. Governor Cuomo, Speaker Silver and Majority Leader Dean Skelos deserve praise and our appreciation for reaching agreement on a remarkable milestone in the effort to restore public confidence in the way in which business is conducted in Albany. Hopefully now with stronger disclosure, and more effective oversight and enforcement of state ethics, winning back the public's trust in our state government will be possible."

Russ Haven, Executive Director of the New York State Public Interest Research Group (NYPIRG), said, "These ethics reforms for the first time will open a huge window on the outside work and pay of state lawmakers. Sunlight is the best disinfectant, and these disclosures will allow New Yorkers to judge whether a legislator's private job creates a conflict with their responsibilities to the public. The legislation also ensures that no one political leader controls the state's ethics and lobbying oversight commission, a substantial change from the current system that gives the governor the majority of votes, a longstanding issue of concern to government watchdogs. And since democracy is a work in progress and it is impossible to fully anticipate the technical, legal and political changes that occur in government at an ever-increasing pace, this legislation wisely incorporates an independent review process that will require a 'look back' at the features and performance of the law after it's been up and running for a while."

Lawrence Norden, Deputy Director of the Brennan Center for Justice's Democracy Program at NYU School of Law, said, "The Brennan Center applauds the Governor and the Legislature for reaching this important agreement to bring needed reform to the state's ethics laws. Among many positive changes, the agreement announced today will bring unprecedented transparency to Albany, including much fuller disclosure of public officials' outside income. Loopholes in existing laws in this area have been abused by some unethical officials. We are especially pleased that these gaps will be closed. We look forward to working with Gov. Cuomo and legislative leaders to help put this proposed legislation on the books, and we encourage full public hearings on the proposal as soon as possible, so that experts and the public can review and comment on the legislation. Today's agreement lays the foundation for the renewal of New York's government. We look forward to working just as hard with Gov. Cuomo and legislative leaders on the next crucial elements in changing Albany: rebuilding our campaign finance system and establishing a voluntary public funding system to end the domination of New York politics by special interests."

Sally Robinson, Issues and Advocacy Vice President of the League of Women Voters of New York State said, "The League of Women Voters of New York State applauds Governor Cuomo, Speaker Silver, and Majority Leader Skelos for coming together to complete this historic ethics agreement which will strengthen oversight protections and achieve significantly greater transparency in our state government. For the first time there will be an external investigatory body

for the state legislature and disclosure of outside income. This ethics legislation will begin the journey toward restoring public trust in the integrity of state government. We look forward to working with the Governor and the legislative leaders next session to complete the remaining parts of the League's reform agenda."

"For thirteen months, I've traveled the state calling on our government to take action on the three basic, fundamental reforms our government needs, including meaningful Ethics Reform," said Former New York City Mayor Edward I. Koch. "Standing in Buffalo, I called for outside income disclosure; in Long Island I called for disclosure of client lists; and in Albany I called for a state ethics commission with teeth. Today, I'm proud to congratulate Governor Andrew Cuomo and the Legislative leaders for reaching an agreement on a proposal that will accomplish these goals. Thanks to them, the 138 Legislators who signed the three New York Uprising pledges will be able to honor the ethics portion by casting a vote on the bill described today, and I will be asking them to do so."

Derek P. Champagne, President of the District Attorneys Association of New York said, "It is crucial that the Joint Commission will have jurisdiction to investigate both the Executive and the Legislature. We commend Governor Cuomo and the leaders for this step forward, and we look forward to working with them on criminal anti-corruption laws."

Once a national model, New York State government's reputation has been widely discredited through corruption, a lack of independent ethical oversight, and a failure to require more robust disclosure of outside income sources. Current ethics laws are policed by several separate entities using differing interpretations of the same laws, leading to an absence of true independence and fragmented enforcement. Additionally, current financial disclosure laws require disclosure of the amounts of outside income earned, but do not require the names of clients and customers of the reporting individual or his or her firm that may have business before the State and even the limited income disclosures required now are redacted from public review by current law.

In addition to creating a new Joint Commission on Public Ethics and requiring disclosures of clients of legislators' firms, the Clean Up Albany Act of 2011 contains some of the most comprehensive series of ethics enhancements in modern history, including:

Greater Financial Disclosure: Financial disclosure statements filed with the new Joint Commission on Public Ethics from elected officials will now be posted on the internet and the practice of redacting the monetary values and amounts reported by the filer will be ended. The Act also includes greater and more precise disclosure of financial information by expanding the categories of value used by reporting individuals to disclose the dollar amounts in their financial disclosure statements. The Act requires disclosure of the reporting individual's and his or her firm's outside clients and

customers doing business with, receiving grants or contracts from, seeking legislation or resolutions from, or involved in cases or proceedings before the State as well as such clients brought to the firm by the public official.

Increased Access to Who is Appearing Before the State and Why: The Act establishes a new database of any individual or firm that appears in a representative capacity before any state governmental entity.

Additional Disclosures for Registered Lobbyists: The bill expands lobbying disclosure requirements, including the disclosure by lobbyists of any "reportable business relationships" of more than \$1,000 with public officials. It also expands the definition of lobbying to include advocacy to affect the "introduction" of legislation or resolutions, a change that will help to ensure that all relevant lobbying activities are regulated by the new Joint Commission.

Forfeiture of Pensions for Public Officials Convicted of a Felony: Certain public officials who commit crimes related to their public offices may have their pensions reduced or forfeited in a new civil forfeiture proceeding brought by the Attorney General or the prosecutor who handled the conviction of the official.

A New Joint Commission on Public Ethics: The Joint Commission on Public Ethics will replace the existing Commission on Public Integrity with jurisdiction over all elected state officials and their employees, both executive and legislative, as well as lobbyists. The bipartisan Joint Commission will consist of 14 members:

- Six appointed by the Governor and Lieutenant Governor, at least three of whom shall be enrolled members of the major political party that is not that of the Governor
- Eight appointed by the legislative leaders (four each from the two major political parties)

Among other restrictions, no individual will be eligible to serve on the Joint Commission who has within the last three years been a registered lobbyist, a statewide office holder, a legislator, a state commissioner or a political party chairman. The executive director of the Commission will be selected without regard to party affiliation. Commissioners will be prohibited from making campaign contributions to candidates for elected executive or legislative offices during their tenure.

The Joint Commission will have jurisdiction to investigate potential violations of law by legislators and legislative employees and, if violations are found, issue findings to the Legislative Ethics Commission, which will have

jurisdiction to impose penalties. Significantly, if the joint commission reports such a violation to the Legislative Ethics Commission (with full findings of fact and conclusions of law), that report must be made public along with the Legislative Ethics Commission's disposition of the matter within strict timeframes. The Joint Commission will have jurisdiction to impose penalties on executive employees and lobbyists. Any potential violations of federal or state criminal laws will be referred to the appropriate prosecutor for further action.

The Joint Commission will also conduct mandatory ethics training for executive and legislative officials, except instances where such training already exists, and track the status of compliance and make it available to the public.

A majority (8 members) of the board must consent to the initiation of the investigation, and at least two of whom are of the same party and branch as the subject of the investigation. The procedure applies to issue findings of fact and conclusions of law. If the subject of the investigation is a lobbyist, only a simple majority is required.

Clarifying Independent Expenditures For Elections: The Act requires the state board of elections to issue new regulations clarifying disclosure of Independent Expenditures.

Increased Penalties for Violations: The Act substantially increases penalties for violations of the filing requirements and contribution limits in the Election Law, and provides for a special enforcement proceeding in the Supreme Court. The bill also increases penalties for violations of certain provisions of the state's code of Ethics that prohibits conflicts of interest.