



NEW YORK STATE SENATOR

Daniel L. Squadron

Squadron: Sen. Majority Confirms They're Allergic to Ethics Reform

DANIEL L. SQUADRON April 4, 2017

| ISSUE: **LLC LOOPHOLE, ETHICS REFORM, CAMPAIGN FINANCE REFORM, STATE BUDGET, ALBANY REFORM**



Squadron, Senate Dems Push Hostile Amendment to Force LLC Loophole Closure in Budget

NEW YORK – Tonight, State Senator Daniel Squadron and the Democratic Conference introduced an amendment to the Public Protection and General Government state budget bill to close the LLC Loophole. The Loophole, wrongly created by a Board of Elections ruling, allows virtually unlimited, often anonymous corporate dollars to drown out the voice of everyday New Yorkers in the political process. Squadron highlighted that the Senate Majority continues to refuse any substantial ethics reform actions ([video available here](#)):

"The LLC Loophole allows nearly unlimited, anonymous corporate campaign dollars to flood our political system and overwhelm the voices of everyday New Yorkers.

"Year after year, indictment after indictment, conviction after conviction, the Senate Majority has refused to take action to close an indefensible loophole. Despite having spoken about it so many times ([earlier this session](#); 2016; 2015) we've never gotten a vote on closing the LLC Loophole in this house.

"No one is ever forced to stand up and be held accountable for a system that undermines the voices of our constituents -- the people who sent us here -- in favor of small numbers of heavily invested interests that abuse and exploit this loophole.

"No budget of \$155 billion should pass without closing this loophole and starting to restore integrity and faith in the process that gets us here."

[Earlier this session](#), Squadron said:

"Voters have good reason to be frustrated by a government that too often feels dysfunctional and controlled by interests much more powerful than they are.

"It's a very simple issue, a simple issue that allows a small number of heavily invested special interests to swamp everyone else's voice. It would be easy to close it legislatively. We've debated this I think for five years now. Let's not talk around it, let's just get it done, and if we don't get it done, I think we will all know why.'

[Last year](#) (2016), Squadron said:

"I understand it's an uncomfortable issue. It's uncomfortable after the year Albany has had to refuse to talk about ethics reform. It's uncomfortable, after what we've seen, to refuse to talk about closing the LLC loophole.

“‘It's extraordinary that we have a budget that... no one would claim has ethics reform, and that no one is willing to answer any questions about why, or the thinking, or whether the LLC Loophole is appropriate and within the law. It's really extraordinary and disappointing. \$154 billion reasons why it's a mistake.’

The year before that (2015), Squadron said:

“‘The limited liability company loophole, as folks know, allows anonymous, nontransparent, unlimited contributions from corporations, from individuals, from any other entity into this political system. It is used extensively. You've all heard me speak about it extensively through the course of this month.’

“‘This is not a New York City issue, this is not an Albany issue, this is a New York State issue. This is an issue of the validity of our government.’

The year before that (2014), Squadron said:

“‘Because the truth is we have a huge problem in this state... We have a system and a culture where a very, very small number of folks even participate in order to help elected officials raise dollars. And we have loopholes like the LLC Loophole that let individuals, through a pretty simple mechanism, literally contribute unlimited sums to candidates in this state.

“‘And this is not an issue where we need to raise the question again, it is an issue where we need a result.’

Closing the LLC Loophole was included in the Executive Budget proposal, and has the support of the State Assembly. The Senate Democratic Conference has included closing the Loophole in its ethics package repeatedly, but the Senate Majority has blocked a vote for years. Closing the Loophole has been endorsed by good government groups and editorial boards across the state.

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Do you support this bill?