



## **FIGHTING CORRUPTION**

A Legislative Package for Increased  
Transparency & Oversight in City Hall

In the last four years, three public officials have been convicted in corruption cases involving City Council discretionary funding, and another two are under investigation for abuse of member items. Discretionary funding has also been identified as a tool of political vengeance and political blackmail for those who may dissent from the leadership of the Council doling out the funds.<sup>1</sup> To address these growing problems, New York City Public Advocate Bill de Blasio has called for a sweeping ethics overhaul. The Public Advocate's legislative package includes reforms to increase independent oversight of the City Council, strengthen public disclosure of audits and investigations enact harsher penalties for public officials who violate the public trust, shine new light on lobbyist meetings, and remove the funding mechanism which has been repeatedly exploited for personal gain.

**“For the fourth time in four years, a sitting City Council Member could end up behind bars. That's a disgraceful track record, and one that shows the need for real oversight. It's time to clean up the Council.”**

*Public Advocate Bill de Blasio*

### **Independent Ethics Oversight:**

Public Advocate de Blasio is introducing legislation to strengthen independent ethics oversight and require public disclosure of all completed internal City Council audits and investigations. Following a federal investigation that found that over \$17 million of City Council discretionary dollars had been doled out to fictitious organizations, a series of reforms were introduced in the City Council in 2008 and 2010, with the purpose of increasing transparency and oversight in the City Council's budget allocation process—unfortunately, many of these reforms were never formalized in the City Council rules.<sup>2</sup> In addition, there has been little to no public documentation on the City Council's internal audits and investigations over the last four years,



drawing question to whether or not these reforms were implemented as planned. As a matter of transparency and in order to ensure the system in place is capable of safeguarding against corruption, the Public Advocate is proposing legislation to mandate a full public accounting of oversight activities in the City Council, including posting details about all completed audits and investigations on the City Council's website and codifying prior reforms within the official City Council rules.

Public Advocate de Blasio is also proposing stronger City Council oversight through an independent watchdog position in the City

<sup>1</sup> Michael Powell, “A Council Speaker Who Tightens the Purse Strings on Dissent,” NY Times (Aug 22, 2011). Online at <http://nyti.ms/oBH1s8>. Azi Paybarah, “Two Council Members Describe Quinn's Retaliation Against Them and Predict More,” Capital New York (Mar 27, 2013). Online at <http://bit.ly/1000k10>

<sup>2</sup> Citizens Union, “Creating a more Equitable and Objective Discretionary Funding Process in New York City” (May 2012). Online at <http://bit.ly/XAj8GJ>

Council that reports directly to the Department of Investigation.<sup>3</sup> The position would replace the now defunct Independent Compliance Office in the City Council, a short-lived position which, despite its name, lacked true independence from the Council leadership. The new independent watchdog position would be nominated by the Council and approved by the Mayor. To ensure the independence of this position, the office would have a set term of 5 years, a fixed salary that could not be decreased by the City Council, and would require at least five years of prior experience working in a prosecutor's office. Among its functions, powers and duties, the office would perform audits and receive and investigate complaints from any source or upon its own initiative concerning alleged abuses and fraud. The independent watchdog position would also be responsible for liaising with the Office of the Public Advocate, Conflict of Interest Board, and Office of the City Comptroller to encourage greater collaboration in City Council oversight.

### **Harsher Penalties for Officials Convicted of Corruption:**

Under the New York State Constitution, it is not currently possible to deny or diminish retirement benefits for current public officials. As a result, public officials that are convicted of corruption charges have continued to collect their pensions at taxpayer expense, even while serving jail time. To offset this loophole in the law, Public Advocate de Blasio is calling for the passage of state legislation proposed by Comptroller DiNapoli that imposes a mandatory fine upon public officers convicted of felony offenses related to their official duties (Comptroller's Program Bill #11- S.4044 and A. 3629). Under the proposed law, public officials who abuse the public trust would be forced to pay a penalty up to twice the amount they benefited from the committed crime. In addition, felons could face increased incarceration time by four to 20 years depending on the severity of the crime. The monetary penalty and enhanced sentencing would be in addition to any other sanctions imposed by existing law. This bill would be applicable to all current and future public servants in the state.

**"Most disturbing in New York State is the rising number of high profile cases of elected officials who have pled to, or been found guilty of, felony crimes related to public duties yet still are eligible to receive taxpayer finances pension benefits..."**

*Citizens Union, March 2011*  
<http://bit.ly/XBjzRg>

### **Increased Lobbyist Disclosure:**

To enhance the City's safeguards against pay-to-play schemes, Public Advocate de Blasio is introducing legislation requiring all City officials to publicly disclose meetings with registered lobbyists online. De Blasio was the first City official to proactively disclose such meetings beginning in 2010, and continues to do so on the Public Advocate's website at <http://advocate.nyc.gov/lobbyist-meetings>. Regardless of whether discussions qualify as "lobbying communications" under Section 3-211(c)(1)(iii) of the Administrative Code, all meetings requested by registered lobbyists would be disclosed and posted online within one month, along with a brief description of the subject matter covered in the meeting.

### **Ban on Member Items:**

To prevent the use of discretionary funds – also known as "member items" – for political gain or retribution by Council leaders, Public Advocate de Blasio has called for an immediate end to this system. The City Council's current funding arrangement would be replaced with a new transparent and objective system of disbursing funding to deserving community organizations. A number of alternative approaches for funding projects have been proposed – from the traditional budget process, to basing expenditures on objective formulas and standards, to ensuring more public participation in spending decisions. De Blasio is calling on the City Council to immediately ban member items and transition to a new system.

**"When most people got into trouble is with member items. It was their access to real money."**

*Governor Andrew Cuomo*  
*April 2013 | <http://bit.ly/ZzgrXo>*

<sup>3</sup> DOI's current jurisdiction includes the City Council, more than 45 mayoral agencies and over 300 other City agencies, entities, boards and commissions. DOI also oversees the Special Commissioner of Investigation for the New York City School System and the Commission to Combat Police Corruption.