



January 8, 2016

The Honorable Andrew M. Cuomo  
Governor of New York State  
The Capitol  
Albany, NY 12224

Dear Governor Cuomo:

We have long agreed that the LLC Loophole must be closed and that, as stated in your 2015 Opportunity Agenda, it helps enable “a few wealthy donors to drown out any influence of smaller donors.” As you know, the LLC Loophole doesn’t just enable wealthier people to give greater contributions, but enables contributors to exploit it to circumvent the contribution limits that apply to other individuals and businesses, often without even disclosing their true identities, making a mockery of fairness and transparency in our campaign finance system. We were encouraged by recent news that closing the LLC Loophole will remain a top priority of yours this legislative session. Therefore, we request that you once again include closure of the LLC Loophole in your Executive Budget proposal and ensure that it is included in the final enacted budget.

The LLC Loophole was established by the 1996 Board of Elections decision that classified LLCs as individuals, contravening the letter and purpose of the state's campaign finance law to limit contributions and ensure transparency. A lawsuit has been filed by the Brennan Center to reverse that decision, representing Senator Squadron, Assemblymember Kavanagh, Senator Krueger, and a range of plaintiffs that include members of both major parties as well as nonpartisan advocates for government integrity. In addition to asking the courts to apply the law as written, the LLC Loophole could also be closed legislatively.

As you know, recent events have left New Yorkers questioning government integrity and the role of lax campaign finance laws in perpetuating corruption. Our calls to close the LLC Loophole have been joined by many good government groups and newspapers across the state. Albany cannot regain the public’s trust while unlimited sums of anonymous dollars continue to undermine people’s faith in our state government and the political process.

In the 2015 session, Assemblymember Kavanagh’s bill closing the LLC Loophole (A.6975) successfully passed the Assembly with broad bipartisan support. Senator Squadron’s attempts to advance the bill (S.60) toward a full Senate vote were stymied by the Senate Majority.

Calls to close the LLC Loophole have continued since the end of session. As mentioned, the Brennan Center filed a lawsuit to close the Loophole in July. In December, Senator Squadron released a report that found numerous corporations using multiple LLCs to skirt \$5,000 campaign contribution limits and that actual LLC ownership information was often effectively obscured.

New York must close the LLC Loophole. Because of repeated efforts to block this reform by the Senate Majority, we request that you once again include closure of the LLC Loophole in your Executive Budget proposal and ensure that it is included in the final enacted budget. We look forward to working with you in the coming months to make this happen.

Sincerely,



Daniel Squadron  
State Senator



Brian Kavanagh  
State Assemblymember

Additional Signatories:

State Senator Joseph P. Addabbo, Jr.  
State Senator Adriano Espaillat  
State Senator Michael Gianaris  
State Senator Brad Hoylman  
State Senator Liz Krueger  
State Senator Bill Perkins  
State Assemblymember Barrett  
State Assemblymember Blake  
State Assemblymember Brennan  
State Assemblymember Bronson  
State Assemblymember Buchwald  
State Assemblymember Cusick  
State Assemblymember Colton  
State Assemblymember Dinowitz  
State Assemblymember Englebright  
State Assemblymember Fahy  
State Assemblymember Galef  
State Assemblymember Glick  
State Assemblymember Jaffee  
State Assemblymember Kaminsky  
State Assemblymember Lavine  
State Assemblymember Lupardo  
State Assemblymember Magnarelli  
State Assemblymember Mayer  
State Assemblymember Miller  
State Assemblymember Mosley  
State Assemblymember Ortiz  
State Assemblymember Peoples-Stokes

State Assemblymember Robinson  
State Assemblymember Rosenthal  
State Assemblymember Rozic  
State Assemblymember Ryan  
State Assemblymember Santabarbara  
State Assemblymember Schimel  
State Assemblymember Seawright  
State Assemblymember Simon  
State Assemblymember Simotas  
State Assemblymember Skoufis  
State Assemblymember Thiele  
State Assemblymember Titone  
State Assemblymember Woerner  
State Assemblymember Zebrowski