



## **Testimony to the New York City Conflicts of Interest Board (COIB) on Proposed Rules Regarding Disclosure of City-Affiliated Nonprofits**

**January 7, 2020**

Good morning Chair Briffault and members of the Conflicts of Interest Board. My name is Tom Speaker, and I am a Policy Analyst for Reinvent Albany. Reinvent Albany is a government watchdog organization that advocates for open and accountable government. While we largely focus on Albany, we have an interest in strengthening ethics in New York City because the City serves as a model for better ethics laws and practices.

Local Law 153 of 2019 requires COIB to maintain and publish a list of individuals who have donated to city-affiliated nonprofits since 2018. While the law requires that COIB publish this list on its website in a machine-readable format, it should also be downloadable in a machine-readable format and linked to or published in the City's Open Data portal as mandated by Local Law 11 of 2012.

We additionally request that COIB:

- establish and publish the formula city-affiliated nonprofits must use to calculate the percentage of expenses used to promote an elected official.
- release in the city's Open Data portal a list of city-affiliated nonprofits, their affiliated agency or elected official, and information about expenditures promoting elected officials.

We believe COIB has authority to establish a formula and release more information about organizational expenditures, particularly given the conflicts that can arise from city-affiliated nonprofits (by "city-affiliated nonprofits" we mean "not-for-profits affiliated with elected officials" as defined in the law). Prior to the passage of Council legislation, COIB previously issued two Advisory Opinions establishing disclosure requirements for city-affiliated nonprofits.

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Reinvent Albany calls on COIB to establish a formula that city-affiliated nonprofits should use to determine what percentage of an organization's communications promote an elected official. Currently, the public has no way of knowing how city-affiliated nonprofits calculate such costs, and formulas may differ between organizations. In a New York Daily News article in August, Eric Adams's staff said that One Brooklyn, the nonprofit affiliated with the Brooklyn Borough President's office, spent 5.5% on communications promoting Adams.<sup>1</sup> More recently, in the New York Post, it was reported that One Brooklyn has raised over \$2 million to help cover its events, which promote Adams and call the 5.5% number into question. But with the lack of information currently available, the public can only take Adams's office at its word. COIB can remedy the gap by establishing and publishing the formula.<sup>2</sup>

COIB should also publish in the City's Open Data portal a separate list from the one required in law identifying each nonprofit affiliated with an elected official, including the affiliated elected official or agency. The list should also include the percentage of individual nonprofits' expenses that have gone to promoting the elected official(s), the dollar amount, and which elected official(s) the organization promoted.

Despite repeated requests from Reinvent Albany, there is no list simply identifying all of the nonprofits in the City affiliated with elected officials. The example of One Brooklyn also demonstrates the need for more information about nonprofit spending – it's possible that over 100 such nonprofits exist in the city, but little is known about their spending on communications promoting elected officials.

Thank you for the opportunity to testify today. I welcome any questions you may have.

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<sup>1</sup>"Brooklyn BP Eric Adams uses nonprofit to raise from donors with business before city – skirting campaign finance rules in quest for City Hall." *New York Daily News*. August 11, 2019. <https://www.nydailynews.com/news/politics/ny-eric-adams-nonprofit-donors-business-before-city-campaign-finances-20190811-ifhehr-ejurbi7l3pswqza6hjua-story.html>

<sup>2</sup> "Mayoral hopeful Eric Adams breaks ethics rules again while hitting up donors." *New York Post*. September 29, 2019. <https://nypost.com/2019/09/29/mayoral-hopeful-eric-adams-breaks-ethics-rules-again-while-hitting-up-donors/>