

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General

ATTORNEY GENERAL
KARL A. RACINE



January 5, 2017

The Honorable Phil Mendelson
Chairman, Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

I am writing to transmit the “Campaign Finance Transparency and Accountability Amendment Act of 2017.” The bill ensures that independent expenditures are truly independent by requiring candidates, elected officials, affiliated committees, and their agents to wall themselves off from entities that make independent expenditures, including Political Action Committees (PACs) and independent expenditure committees. It does so by borrowing from both previously introduced legislation and from federal regulations. Candidates, officials, committees, and agents would not be allowed to encourage anyone to donate to an independent expenditure committee or a PAC. PACs and independent expenditure committees in turn would have to certify that, to the best of their knowledge, after due diligence, they have not received any donations that were coordinated with any candidate, official, political committee, or political party. Moreover, any expenditure coordinated with a candidate, campaign, or agent would be treated as a contribution to that candidate or campaign.

The bill also ensures that the public knows who is behind independent expenditures by requiring extensive disclosure. The bill requires individuals and entities making such expenditures to disclose not only how much they spend, but also to identify any affiliates or donors associated with that spending. These requirements will prevent individuals and organizations from hiding behind “dark money” groups to circumvent sunlight provisions.

The bill closes a significant PAC loophole. Under current regulations, restrictions on giving to a PAC do not apply during any calendar year in which the committee is not supporting candidates in either a primary or general election. Consequently, a PAC could collect unlimited donations in non-election years, even for political contributions, although of course it could not give above the maximum to any one candidate. The bill repeals this exemption.

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The bill builds on prior campaign finance proposals to sever the connection between contributions and significant business dealings with the District. It focuses on what it calls “doing business with the District”: large contracts, large grants, large tax abatements, and agreements to acquire, sell, or lease land or a building – the type of arrangements where the concern of pay-to-play corruption appears highest. Anyone who contributed to a candidate or elected official who could influence or award any of these types of business, to any political committee affiliated with that candidate or official, and to certain individuals or organizations closely tied to such a candidate or official, would be ineligible to do high-value business with the District. This ineligibility would last for two years following the election for which the contribution was made. Anyone seeking to “do business with the District” would need to certify that he or she was in compliance with District pay-to-play law, and the District would be forbidden from “doing business with” anyone who was ineligible to “do business with the District.”

Moreover, current law allows the Mayor and each Councilmember to each designate one employee who may solicit and receive political contributions while on leave. The bill would narrow this provision by limiting the type of leave that a designated employee can use for this purpose (annual or unpaid leave only) and specifying that an employee may only solicit and receive political contributions for a principal campaign committee or an exploratory committee.

Finally, the bill would require board and commission members to receive ethics training from the Board of Ethics and Government Accountability.

If you have any questions, your staff may contact my Legislative Director, James A. Pittman, on (202) 724-6517.

Sincerely,

A handwritten signature in black ink, appearing to be 'KARL A. RACINE', written in a cursive style.

Karl A. Racine
Attorney General for the District of Columbia