



Unclean Elections

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Last week's arrest of city Comptroller John Liu's treasurer, Jenny Hou, is just the latest in a string of fund-raising scandals that point to a core lesson. Using tax dollars to pay for political campaigns does little if anything to prevent corruption in government, and may even be a cause of it.

New York City's tax-financed campaign system is called colloquially a "super match" program. Candidates get six dollars from city government for every dollar they raise independently (to a maximum of \$1,050 per contributor). Individual private donations are strictly limited. Groups such as Common Cause tout such systems as a foolproof way to produce "clean" elections.

Just the latest case: City Comptroller John Liu (here at a Chinatown event) is beset by questions of campaign-finance abuse.

The trouble is, as the recurring headlines in New York show, the city's matching-funds program — one of the oldest in the country — is apparently fostering crime.

Liu's campaign has been in the news since last year for using straw donors and for undisclosed bundling. The arrest of Hou — accused of using straw donors to trigger more matching funds from taxpayers — is merely the latest shoe to drop.

Yet Liu is far from unique. The numerous abuses include everything from City Council candidates collecting public funds for "races" that weren't seriously contested, to labor unions being accused of illegally coordinating efforts with candidates.

Perhaps the most egregious and notable alleged violator before Liu was City Councilman Lawrence Seabrook, "Cash and Carry Larry," who was charged last February in a 66-page, 13-count indictment for violations going back to 2003.

True, despite shocking courtroom testimony that covered everything from a \$177 bagel (for which Seabrook was reimbursed by his campaign) to some \$40,000 in crooked donations, the trial ended with a hung jury. (Prosecutors promise a retrial.) But this tells

us that normal law-enforcement is unlikely to compensate for the invitation to corruption in the city's campaign-finance laws.

Nor is it “only” an urban problem. Last year's report from the Center for Competitive Politics, “Clean Elections and Scandal,” examined Maine and Arizona as well as New York City and found extensive evidence that these “clean” election programs actually lead to *more* corruption, rather than less. Maine, for example, has seen multiple cases of fraud in documents required to obtain matching funds.

And these stories are just the tip of the iceberg. The CCP report amply documents ways in which these programs lead ultimately to a giant fraud, perpetrated under the guise of “cleaning up” the electoral process. Systems that supposedly promote competitive elections somehow regularly produce incumbent re-election rates of more than 90 percent.

The John Liu scandals should prompt New York to start seriously questioning its program for public funding of candidates. (And other governments considering such programs should beware.) For all the promises that public campaign-finance means cleaner elections, the *evidence* tells us the opposite.

Tax dollars should not go to protect incumbents, let alone enable candidates whose campaigns or careers end in felony counts, prison time and public embarrassment. Far from driving corruption out of politics, government subsidies for campaigns seem to draw a criminal element to the process.

Willie Sutton allegedly said that he robbed banks because “that's where the money is.” Today, he'd probably be running for office in New York.

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