



A Plan to Put Washington to Work for the People

- Limit Special Interest Influence
- Demand Greater Accountability and Toughen Ethics Rules
 - Prohibit Personal Enrichment from Public Service
 - Public Financing of Federal Campaigns

“One of the most important things that money does in politics is it gives you access. **That’s what money does. It gives you access.** I don’t think there’s anything wrong with that.”

– Arizona State Legislator

“**Access is everything.**”

– Jack Abramoff

Andrei Cherny knows the middle class is only strong when Washington is working for the people. But that’s not the case today.

Some say, “Washington is broken.” But it’s not. The truth is that Washington works great for those with the campaign cash and the connections – those who are able to spend millions for armies of lobbyists and unlimited independent expenditure groups. It’s not that Washington’s not working. It’s that it’s not working for us.

At the U.S. Capitol or our State Capitol, too many politicians – Democrat and Republican alike – pay more attention to lobbyists than the people. This has an impact on our everyday lives – whether it is a tax code that rewards greed over hard work or schools that aren’t getting the funding they deserve. It’s no accident we subsidize oil companies instead of renewable energy and bail out financial institutions while leaving underwater homeowners to face foreclosure and bankruptcy.

When scandals break and a lobbyist’s access is exposed, politicians act like there’s no problem at all. Here in Arizona, after the Fiesta Bowl scandal revealed the dangers of the loose ethics laws

at the State Capitol, one legislator had the audacity to defend a corrupt system, saying, “I don’t think we need to change the law.”¹

We deserve better, and we can do better. We can choose to vote for leaders who have the courage to demand reform. We need to shine a spotlight into the back rooms of the Capitol, restore trust by holding Congress to the highest ethical standards, and ensure that public service never becomes a path to personal riches.

As a fraud and public corruption prosecutor, Andrei Cherny was unafraid to take on wrongdoing be it in government or the private sector. He spoke out about the Fiesta Bowl scandal and against the culture of corruption in Arizona state government even when some Democrats preferred he’d stay silent. Cherny will go to Congress and push a three-part agenda that puts Washington back on the side of the people. He will work to limit special interest influence, demand greater accountability and stronger ethics rules, prohibit politicians from enriching themselves through their public office, and offer a public financing plan that encourages those running for office to build grassroots support.

Limit Special Interest Influence

✓ Mandate the Online Disclosure of Lobbyist Meetings

Cherny proposes to require that all Members of Congress disclose their meetings with lobbyists as well as the topic of those meetings. Cherny will lead by example on this issue and disclose each of his meetings with lobbyists along with the topics of the meeting on his House website.

This builds on the work of Arizona leaders such as Gabrielle Giffords and Harry Mitchell who brought transparency to the earmark process by making their earmark requests public.

In 2010, Cherny called on state legislators and officials to make their meetings with lobbyists public; they refused, and continue to refuse to do so. Cherny will take this call to Washington and lead by example.

✓ Greater Restrictions on Gifts from Lobbyists

Convicted felon and corrupt lobbyist Jack Abramoff repeatedly said that offering gifts – such as free tickets to sporting events – was how he gained special access to and influence over lawmakers and staff. Although Congress passed major ethics legislation in 2007, more must be done.

Cherny will work to prohibit Members of Congress from taking trips sponsored by private organizations unless a majority of the House of Representatives approves the trip with a public, on-the-record vote that determines the trip in question is a valuable fact-finding mission relevant

¹ Ginger Rough, *Fiesta Bowl Trips Spur Push to Revamp State Rules*, ARIZ. REPUBLIC, May 2, 2011, <http://www.azcentral.com/news/election/azelections/articles/2011/05/01/20110501fiesta-bowl-financial-disclosure-laws.html#ixzz1ysKYG8Db>

to the work of the Congress. Public scrutiny is imperative because many trips taken by Members of Congress are sponsored by charities that are actually fronts for special interest groups that seek to push legislation to benefit their industries.² Abramoff said he used these kinds of trips to extract favors from Congress. The kind of special access this kind of money buys must end.

Cherny also proposes to completely prohibit Members from accepting free tickets to entertainment and sports events, and also prohibit Members from purchasing tickets to events at less than market value. While Members are not allowed to receive free tickets to most sporting events, they are allowed special access to purchase tickets directly from the team or sports association at face value, which is often well below market value for popular events.³ Under the current rules, a sports association seeking influence over a Member can offer championship game tickets for a fraction of what a regular member of the public would pay. In Arizona, we have seen first-hand the problem of legislators taking free tickets to sporting events – whether it was to the Fiesta Bowl, or Arizona Cardinals or Arizona State University games.

Demand Greater Accountability and Toughen Ethics Rules

✓ Strengthen the Office of Congressional Ethics

The Office of Congressional Ethics was formed in 2008 to provide a framework to investigate Congressional ethics violations. This was an important step toward holding Members of Congress accountable, but the office lacked sufficient power. Cherny will work to provide the Office of Congressional Ethics the tools it needs to enforce ethics rules, including the power to issue subpoenas to Members and staff in the course of investigations.⁴

✓ Toughen Penalties for Falsification of Financial Disclosure Documents

Currently, under the Ethics in Government Act, a Member who files a false financial disclosure can receive two fines of \$50,000 each and up to five years in prison.⁵ However, the authority to recommend prosecution rests solely with the House Ethics Committee, and enforcement has generally been non-existent. Members of Congress are reluctant to punish their own for breaking laws. Even in undisputed cases of falsification of financial disclosures, such as the case of U.S. Rep. David Rivera of Florida, the guilty party has gone unpunished.⁶

Cherny proposes to appoint a permanent auditing department in the Office of Congressional Ethics that would be charged with verifying financial disclosures and reporting evidence of

² Ana Radelat, *By Taking Free Trips, Connecticut Lawmakers Follow Rising Trend*, CONN. MIRROR, June 22, 2012, <http://ctmirror.org/story/16730/taking-free-trips-connecticut-lawmakers-follow-rising-trend>

³ Brody Mullins, *Lawmakers Score Ticket Deal*, WALL ST. J., Nov. 4, 2009, <http://online.wsj.com/article/SB125729549919526761.html>

⁴ Editorial, *A Welcome Turnaround on the Office of Congressional Ethics*, WASH. POST, Dec. 29, 2010, <http://www.washingtonpost.com/wp-dyn/content/article/2010/12/29/AR2010122903912.html>

⁵ <http://ethics.house.gov/financial-dislosure/failure-file-or-filing-false-disclosure-statements>

⁶ Scott Hiaasen and Patricia Mazzei, *U.S. Rep. David Rivera Won't Face Criminal Charges in State Investigation*, MIAMI HERALD, April 17, 2012, http://www.miamiherald.com/2012/04/17/2754216_p2/us-rep-david-rivera-wont-face.html#storylink=cpy

falsification to the Department of Justice. With the capacity to investigate and determine when a Member has falsified documents, the Office of Congressional Ethics will be in a stronger position to ensure that public servants are being honest about their private interests.

Prohibit Personal Enrichment from Public Service

A recent *Washington Post* investigation revealed potential corruption at the highest levels of Congress – and found that Members of Congress have been using their public positions to enrich themselves.

At the height of the financial crisis, Speaker John Boehner and more than 30 others – from both parties – modified their personal financial investments after receiving insider information from senior Administration officials about planned government action during the financial crisis. Members – and their families – have traded stocks worth hundreds of millions of dollars at the same time those same companies lobby their congressional committees.

This practice cannot be defended – but it’s also not illegal. Current ethics rules are so weak that Members are permitted to invest freely in stocks based on sensitive information they receive in the normal course of their duties from Administration officials.

✓ *Prohibit Members from Introducing Legislation to Benefit Their Family Business*

Earlier this year, the *Washington Post* reported that more than 40 Members requested earmarks that benefit their personal or family businesses. U.S. Rep. Darrell Issa of California, for example, reportedly requested an \$815,000 earmark to widen a road adjacent to a medical building he owned.⁷

This is a serious problem that must be addressed. Cherny proposes a prohibition on Members of Congress from sponsoring or voting on legislation that could be reasonably perceived to benefit the Member’s family. This prohibition would apply to earmarks as well.

If a Member believes that the legislation is nonetheless legitimate, the Member may propose the legislation with a full disclosure to the House Ethics Committee for a conflict of interest review. If the ethics committee certifies that there is not a significant conflict of interest, the member will be permitted to introduce the legislation.

Arizona has seen first-hand how Members of Congress can use their influence to benefit a family business. In 2003, then-U.S. Rep. Rick Renzi sponsored and helped to pass legislation designed to benefit his father’s company.⁸ By seeking to exempt his father’s company from federal environmental requirements, Renzi abused his power to increase the company’s profits with a

⁷ David S. Fallis, Scott Higham and Kimberly Kindy, *Congressional Earmarks Sometimes Used to Fund Projects Near Lawmakers’ Properties*, WASH. POST, Feb. 6, 2012, <http://www.washingtonpost.com/wp-srv/special/capitol-assets/public-projects-private-interests/>

⁸ David Johnston, *Congressman From Arizona Is the Focus of an Inquiry*, N.Y. TIMES, Oct. 25, 2006, <http://www.nytimes.com/2006/10/25/washington/25inquire.html>

\$450 million government contract. The company then became a leading donor to Renzi's campaign committee.

Members of Congress should never be allowed to use their insider knowledge and influence to trade stock or to promote their family's business interests. The use of public office for personal enrichment should be illegal in all circumstances.

✓ *Separate Public Service from Personal Finances*

The Stock Act was a good start to the effort to better regulate the ability of Members to mix their personal investments with their public service. Cherny proposes that Members be further prohibited from trading stock of companies that have lobbied them within the past three months or those companies that have business before committees on which they serve.

While Members are not allowed to engage in insider trading, they are permitted to base personal investment decisions on information acquired from Administration officials. Cherny would block Members from making investment decisions based on information received in the course of their work with government officials.

To ensure compliance with restrictions on Congressional stock trades, Cherny would also require Members to disclose stock trades immediately and post the transactions online.

✓ *Tighten Restrictions on the Personal Use of Campaign Funds*

Although the Federal Election Campaign Act bans the use of campaign dollars for personal purposes, the House Committee on Ethics relies on the personal judgment of each Member of Congress to determine whether the primary purpose of trips paid for with campaign dollars are political or personal.⁹

Cherny proposes that Members of Congress as well as Congressional candidates disclose the political purpose for each trip made with campaign funds. This requirement would ensure that when a Member or a candidate claims a trip as a political expense, there is a measure of public accountability. The current rules make it impossible for the public to determine whether a trip was conducted for political purposes or merely for a personal vacation.¹⁰

Public Financing of Federal Campaigns

The system is rigged. Corporate interests influence our elections more than ever before – and have overtaken the voice of, “We, the people.” The Supreme Court's wrong-headed *Citizens United* decision that struck down many campaign finance laws to allow unlimited corporate dollars to infiltrate the system leaves us with only real solution to put the people back in charge: the public financing of federal campaigns.

⁹ <http://ethics.house.gov/campaign-activity/proper-use-campaign-funds-and-resources>

¹⁰ Associated Press, *Rob Andrews Used Campaign Funds for California Trips*, March 28, 2012, available at <http://www.politico.com/news/stories/0312/74623.html>

Many options for public financing have earned support, but a Campaign Finance Institute study reveals that a model with “multiple-matching funds can stimulate participation by small donors in a manner that is healthy for democracy.”¹¹ That’s exactly what America needs.

Cherny proposes a public finance a system that encourages those running for office to engage as many grassroots participants as possible by:

- Providing candidates with \$6 in public matching funds for every dollar they receive in contributions of less than \$200.
- Moving beyond the “trigger” approach of the Fair Elections Now Act that discourages politicians from continuing to build grassroots financial support once a certain level of contributions have been received. Instead, a public financing plan should encourage candidates for office to continuously engage grassroots supporters.
- Requiring candidates who receive matching funds to participate in three debates during a contested primary election and three debates during a contested general election.
- Creating a new Federal Elections Commission office to carefully verify the legitimacy of small-dollar donations and ensure that candidates comply with the public financing laws.

¹¹ http://www.cfinst.org/pdf/state/NYC-as-a-Model_ELJ_As-Published_March2012.pdf