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Douglas A. Kellner, Co-Chair  
James A. Walsh, Co-Chair  
Andrew J. Spano, Commissioner  
Gregory P. Peterson, Commissioner  
New York State Board of Elections  
40 North Pearl Street, Suite 5  
Albany, NY 12207-2729

To the Co-Chairs and Commissioners of the Board of Elections:

At this Thursday's meeting, the Board of Elections has the rare opportunity to correct a mistake it made nearly two decades ago. The so-called "LLC Loophole" has made a mockery of the campaign finance rules enforced by the Board of Elections. I urge the Board of Elections to close this loophole immediately.

As detailed in an eloquent joint letter from the Brennan Center for Justice at NYU and the law firm of Emery Celli Brinckerhoff & Abady LLP, there is ample justification for the Board of Elections to reconsider its 1996 decision on this issue. The LLC Loophole is an exception that swallows the rule—allowing wealthy individuals to circumvent contribution caps and steer limitless dollars to favored campaigns. Blair Horner of NYPIRG called it "the mother of all loopholes." He is right: Treating limited liability companies as people, not corporations or partnerships, lets each LLC donate up to \$60,800 to a statewide candidate per election cycle—even when multiple LLCs are owned or controlled by a single person. Moreover, the true owners of an LLC are not disclosed publicly, making it nearly impossible to trace contributions to the people or special interests that they may represent. This secrecy defeats the transparency and accountability that should be the goals of any campaign finance system.

The real world effect of the loophole is substantial. As Senator John DeFrancisco observed on the Senate floor, "if it's in use by everyone, then it's not a loophole." LLCs were responsible for 14 percent of contributions made to state candidates and party committees—three times as much as was given by small-dollar non-corporate donors. Between 2005 and 2013, LLCs contributed over \$40 million to New York State candidates, parties, and PACs.

With the prospects for real reform on hold indefinitely, the BOE must not squander this chance for progress. Last month, I publicly advocated closing the LLC Loophole in remarks to the government reform community. Today, I do so again—to the agency with the power to implement this vitally needed reform on its own authority. Closing the LLC Loophole is as vital as it is overdue. I ask that you do so without further delay.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric T. Schneiderman". The signature is fluid and cursive, with a prominent initial "E" and a long, sweeping underline.

Eric T. Schneiderman