

LOS ANGELES CITY ETHICS COMMISSION

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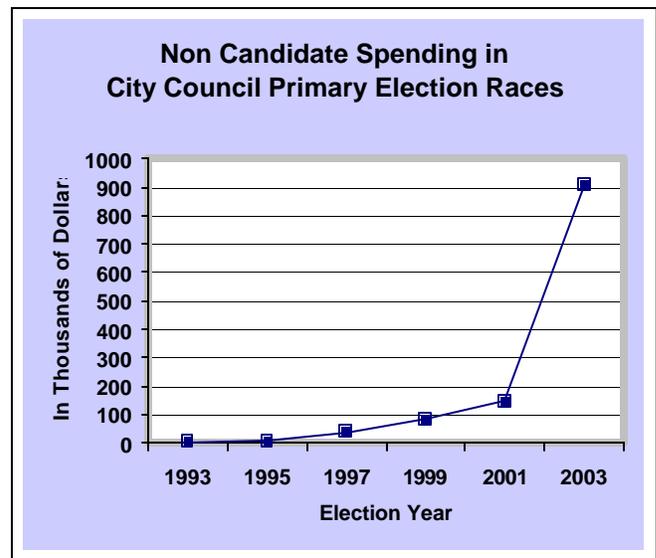
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Press Advisory

Los Angeles City Campaign Spending by “Non-Candidates” Hits New High

Campaign spending by unions, business interests, and political committees to influence the outcome of the City of Los Angeles Primary election held today has hit an all time high. More than \$900,000 in such “non-candidate” political spending has been reported to date to the City Ethics Commission, with totals expected to climb higher as final reports are filed. Non-candidate spending is funding that is not given to the candidate in the form of a campaign contribution that is limited by City law. Rather, individuals or

groups may directly pay for phone banks, mailings or billboards, for example, to support or oppose a candidate in unlimited amounts. The latest campaign finance figures reported by all candidates and non-candidates to support or oppose those running for the seven Council Districts seats show that more than \$5,039,300 has been spent to date in connection with the 2003 election. Non-candidate expenditures accounted for 18 percent of all money spent to influence voters in this Primary election, up from just two percent of overall campaign spending in each of the 2001 and 1999 Primary elections.



Non-Candidate Spending in Council Primary Elections	
1991	\$922
1993	\$4,800
1995	\$6,864
1997	\$39,255
1999	\$82,693
2001	\$145,447
2003*	\$ 906,920 +

* Totals not yet final

According to public reports filed with the Commission:

- Thirty-three percent of all non-candidate spending occurred in Council Districts Ten and Twelve, both open seat races.
- The \$598,427 that has been reported in just *one* Council Primary election race this year (District Fourteen) exceeded by 28 % the \$466,344 in non-candidate spending reported for *all* Council candidates on the ballot in *both the primary and general elections* in 2001.
- Non-candidate spending in the 2003 Primary is more than six times the amount spent in the 2001 Primary election to support or oppose Council Candidates and more than 10 times the amount in the 1999 Primary.

What Now?

In its first comprehensive study of the City's campaign finance system "*Investing in Competition*," the City Ethics Commission noted in 1998 that "[i]n light of the possibility that rising independent expenditures will continue to affect City campaigns, provisions in City law related to independent expenditures should be reviewed with the goal of clarifying and strengthening them." Following two additional post-election studies and more than a year's worth of public hearings with local and national experts, last fall the Commission forwarded a comprehensive package of reforms to further enhance the City's successful campaign finance program that would allow City candidates to respond more effectively to unlimited non-candidate political spending in City campaigns. Under the proposed reforms, candidates participating in the matching funds program who face an opponent that benefits from significant non-candidate spending would, among other considerations, receive their public funding at a faster rate and be permitted to collect contributions above the limits normally allowed by law. Given that the courts have ruled that independent campaign spending cannot be limited, the proposed reforms are designed to work within Constitutional constraints to help ensure that candidates' voices are not drowned out by unlimited third party spending and that participating candidates are able to respond in a timely manner to significant non-candidate spending. Further, candidates will be more indebted to the public interest than to special interests. The proposals also call for a ban on independent expenditures made from corporate and union treasuries.

After three hearings on the Commission's proposals, the City Council's Rules, Elections and Intergovernmental Relations Committee recommended the package move forward for full Council debate and has urged adoption in a timely manner so that it can be forwarded for the Mayor's signature and be in place for the 2005 election cycle. The Council is expected to act during the week of March 17.

For more information, contact the City Ethics Commission at (213) 978-1960 or visit our website (ethics.lacity.org) for candidate campaign finance information, executive summaries of the Commission campaign finance studies or a summary of the Commission's pending reform proposals.

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