

March 18, 2015

Governor Terry McAuliffe
P.O. Box 1475
Richmond, VA 23218
804-786-2211

Dear Governor McAuliffe,

We, the undersigned groups who collectively represent thousands of Virginians, strongly urge you to send HB 2070, and its identical companion bill SB1424, back to the General Assembly with amendments to significantly strengthen the bills. These measures in their current form are riddled with significant loopholes that undermine their purpose.

HB 2070 and SB 1424, known as the “State and Local Government Conflict of Interests Act, General Assembly Conflicts of Interests Act,” do little to curb the problems that they purport to correct. In fact, nearly 80 percent of gifts reported by legislators in 2014 would still be allowable under these bills, according to a ProgressVA Education Fund report.¹

The bills as passed significantly lag behind what a number of other states require in their state ethics laws and of their state legislators. We therefore urge you to send HB 2070 and SB 1424 back to the General Assembly with proposed amendments to address the following deficiencies:

1. **Conference travel loophole.** HB 2070 and SB 1424 do not include reimbursement for travel to national conferences in their definition of a “gift” for which the House and Senate Rules Committee may provide waivers, regardless of who pays for it. Therefore, since this approved travel is not considered a gift, it is not subjected a gift limits, does not have to be reported to the public, and the original source of funding for the trip is not required to be disclosed. This specific loophole gives the Speaker of the House and Chair of the Senate Rules Committee authority to provide waivers allowing elected officials to accept free travel from special interests and corporations without disclosure.

One example of how this loophole will likely be exploited is through state lawmakers’ travel to conferences held by the American Legislative Exchange Council (ALEC), a secretive corporate lobbying group. At ALEC conferences, state politicians and corporate lobbyists vote as equals behind closed doors on model legislation that often benefits the corporations’ interests. Lawmakers regularly receive free trips to ALEC junkets, where they can meet with lobbyists and industry executives out of public sight in lavish hotels and resorts through a “scholarship” system funded by ALEC’s corporate members and their lobbyists. Since 2001, ALEC and its member corporations have spent more than \$100,000 to subsidize Virginia legislators’ attendance at ALEC meetings through their “scholarship” program.²

Although ALEC claims the lawmakers have no knowledge of the original corporation that paid for the trips, evidence shows that lawmakers regularly hold fundraisers with corporate representatives to fund ALEC’s activities and have been asked to send thank-you notes to specific corporate lobbyists who funded their travel.

Known corporate funders of ALEC junkets for Virginia legislators include Verizon, Dominion, Altria, Comcast, and Pfizer.³ Numerous members of the General Assembly are ALEC members, including House Speaker Bill Howell, who sits on ALEC’s board of directors and would be directly responsible under HB 2070 for providing waivers to Virginia legislators to attend ALEC meetings. Virginia legislators have also recently attended junkets paid for by Alliance Defending Freedom, the Council on State Governments, Dominion Resources Inc., Parx Casino, and the Virginia Chamber of Commerce.⁴

2. **Lobbyist-funded travel.** Related to the above point, loopholes in HB 2070 and SB 1424 could allow lobbyists to pay for legislators to travel around the state for official business without any disclosure requirement. If legislators need to travel for official business, then their official accounts not lobbyists and special interests, should pay for the trips. And if lobbyists are to be permitted to pay for legislators to travel for official business, these payments should be subject to gift limits and fully disclosed by both legislators and lobbyists.
3. **Virginia Conflict of Interest and Ethics Advisory Council.** The Ethics Advisory Council created by HB 2070 and SB 1424 is completely inadequate. It has no power to issue fines or penalties, and should have expanded responsibilities to audit ethics filings, issue subpoenas, and refer cases for potential prosecution, as well as have other authority necessary to ensure compliance with state ethics and campaign finance laws.
4. **Aggregate gift cap.** HB 2070 and SB 1424 are a step backwards when it comes to limiting gifts to lawmakers. They impose a per-gift limit of \$100, but eliminate the existing aggregate annual gift cap of \$250 and carve out a number of exceptions, thereby making it easier than it was before for lobbyists to wine, dine and woo public officials. Restoring an aggregate annual gift cap, ideally of \$100, is needed to limit conflicts of interest created by special interests trying to buy access to government officials.
5. **Widely attended events.** Under HB 2070 and SB 1424, lobbyists may continue to pay for food and drinks for legislators at widely attended events. This loophole must be closed.

Unless these bills are significantly strengthened in the ways described above, they do not deserve to be signed into law.

If you have questions about these suggestions or wish to discuss this letter's recommendations in more detail, please feel free to have your staff contact Common Cause's Director of Legislative Affairs, Aaron Scherb, at ascherb@commoncause.org or 202-591-5999.

Thank you for your consideration.

Sincerely,

African American Ministers In Action
Campaign Legal Center
Citizens for Responsibility and Ethics in Washington (CREW)
Common Cause
Greenpeace, Inc.
NARAL Pro-Choice Virginia
New Virginia Majority
Public Citizen
ProgressVA
Sierra Club Virginia Chapter
Virginia Organizing
Voice of Vietnamese Americans

¹ http://www.progressva.org/news/new_report_examines_impact_and_loopholes_of_virginia_ethics_bill.html

² Progress Virginia Education Fund: [Virginia's 2015 Ethics Reform: An analysis of HB2070 and its impact on gift giving in Richmond](#)

³ The Center for Media and Democracy, Common Cause, and DBA Press: [Buying Influence: How the American Legislative Exchange Council Uses Corporate-Funded Scholarships to Send Lawmakers on Trips with Corporate Lobbyists](#)

⁴ The Roanoke Times, "[Gifts down, but Virginia lawmakers still report trips, tickets,](#)" January 19, 2015