

Session title: How to Value a Pig: Determining the True Value of In-Kind Political Contributions and Gifts

Moderator/Panelists:

Wesley Bizzell, Assistant General Counsel, Altria Client Services Inc.

Jane Feldman, Executive Director, Colorado Independent Ethics Commission

Betsy Byers, Director of Business Services, Missouri Ethics Commission

Amy Loprest, Executive Director, New York City Campaign Finance Board

Date and time: Wednesday, December 11 2013, 9:15 am

Rapporteur: Patrick Giasson

Session Summary

The meeting began with discussions on how to determine the actual value of certain gifts or political contributions (goods or services) made to candidates or individuals holding public office. The example of the gift of a pig given to a candidate in the state of Missouri started the meeting off on topic. Betsy Byers responded that the Missouri Ethics Commission received a question from a political candidate asking how they should determine the value of a pig donated by a farmer for a pig roast. It is important to note that there is no limit for contributions to political campaigns in the state of Missouri.

Next, Amy Loprest talked about how New York City determines the actual value of a contribution. For this very purpose, there exists a contribution declaration form. In this form, one can find the relevant information to support the campaign representative in his or her declaration. The Commission has the power to investigate the statements made, and more specifically to determine whether the value of the contribution is reasonable. It is also important to understand that in New York City, for every dollar paid as a contribution by an individual, an additional dollar comes from public funding.

The case of a gift of tickets to a show or to a baseball game was also discussed. The aim of the discussion was to determine how to establish the real value of a ticket to a baseball game, if the price on the ticket is clearly lower than its real worth on the market. Given that the demand for tickets can be particularly high for important games, and that the market is often very unpredictable, the question was what value should be declared. In the case of Colorado, the Commission ruled that the price determined would be the market price at the time the gift was made. Other cases were also discussed, especially for auctioned tickets for an event. An example of a meal with actor Alec Baldwin got special attention. The aim was to determine whether a meal with Alec Baldwin had any intrinsic value, even if the actor acted as a volunteer. In this case, the New York City Campaign Finance Board looked at other charity auctions to determine the "market value" of a meal with Alec Baldwin.

Contributions made in "bitcoins", a virtual currency in vogue, were also discussed. Since the value of this currency is unpredictable, determining the U.S. dollar value of a gift made by "bitcoin" is problematic. A participant mentioned that the Federal Election Commission of the United States had, in a specific case, determined the value of the donation in U.S. dollars at the exchange rate on the day that the gift was made. In

addition, it is essential to distinguish between the use of this currency for speculative purposes and its use for the purchase of goods or services.

Finally, one noteworthy example is the case where a ballot measure committee was holding a demonstration against the taxation of marijuana in Colorado in a park near the State Capitol, donating joints to certain members. Again, the question arose as to the real value of such a gift since the marijuana had not been purchased from an authorized location. Initially, the ballot measure committee did not disclose either the purchase of marijuana or the in-kind donation of marijuana on its campaign finance report. After a complaint was filed, the committee amended its campaign finance report to disclose this information.