



January 12, 2015

Senator Robert Hertzberg  
State Capitol, Room 4038  
Sacramento, CA 95814

Dear Senator Hertzberg,

As you begin your new term in the California State Senate as chair of the Governance and Finance Committee, and in light of the new tax plan you revealed in the San Jose Mercury News, Consumer Watchdog asks that you provide the public with a complete picture of your business dealings and disclose the clients at your new law firm, Glaser Weil.

With SB 8, you have proposed a drastic change to California's tax system, targeting some industries for increased taxes while reducing the overall corporate income tax. Disclosure of your clients will allow Californians to gauge the net impact on these clients if your tax proposal is adopted, and whether any conflict exists between their business interests and the public interest.

It is vital to the health of our democracy that the people of California know the full financial interests of the people who represent them. Any state official who maintains a business while serving in the state legislature should reveal to every extent possible their economic interests.

As you are aware, California Government Code section 87100 prohibits public officials from participating in or influencing any government decision in which they have a financial interest. The Form 700 Statement of Economic Interests makes those financial interests public. However, unlike a real estate agent or the owner of a grocery store, disclosing a salary from a law firm or consulting agency fails to give the public a complete picture of the financial interests that pay your salary. Disclosure of your client list will assure your constituents that you follow not only the letter, but the spirit of California's conflict of interest law. Although a *Los Angeles Times* story indicated you had agreed to reveal your clients, that disclosure has not yet been made.

It is unusual to take a position at a law firm just after being elected to a public office, particularly to enter a Government and Regulatory Law Practice Group that, according to the Glaser Weil website, works with "clients and government officials to help shape public policy to advance our clients' interests." The firm is no stranger to scandal: in 2008 the firm changed its name when a managing partner was convicted of wiretapping on behalf of a

billionaire client. Glaser Weil is secretive about its clients, however those that are public include industries with perennial issues before the legislature, for example: MGM Grand, Occidental Petroleum, Bank of America and Southern California Gas Company. Such clients from across California's major industries increase the possibility that a conflict of interest could develop between your public duties and your responsibility to advance those clients' interests.

Your latest Statement of Economic Interests from March of 2014 is out of date with your move to Glaser Weil. Even that document leaves the public with more questions than answers. You reveal that you received over \$100,000 from your employer at the time, Mayer Brown, but do not list a single client with which you worked.

Californians deserve a full picture of their elected officials' financial interests and obligations. We therefore ask that you provide a list of your clients at Glaser Weil now, and that you update it in real time if those clients change.

Sincerely,



Carmen Balber



Cody Rosenfield