



Big Money Bulletin

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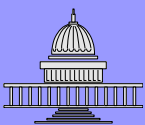
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Get Big Money



Out of Politics!

January
2002

2002 promises to be year of reform

Effective January 1, the scandal-plagued legislative caucuses ceased to exist. Elimination of this corrupt institution is the first in what could be a series of political reforms in 2002.

Along with the formal abolition of the taxpayer-funded political caucuses, new workplace rules governing all legislative employees took effect in November to prevent future abuses of state offices and resources for campaign purposes.

2002 is shaping up to be a landmark year for political reform in Wisconsin. Developments to watch for include:

- **Conclusion of the legal investigation** into apparent violations of state ethics, campaign finance and open records laws by the caucuses as well as allegations that votes were traded by legislative leaders for campaign contributions. The John Doe probe could result in criminal charges being filed, and the indictment of top political figures would be the political equivalent of an earthquake.
- **Passage of comprehensive campaign finance reform legislation.** 2002 is an election year, and the caucus scandal is creating mounting pressure on the legislature to take action to cleanse the institution before lawmakers stand for reelection. Signs increasingly point to the legislature doing what many Capitol insiders found unthinkable just a few short months ago – enacting major campaign reform (see related article on page 2).
- **Tumultuous and unpredictable elections.** With a whiff of scandal in the air, a king-size budget mess and the brother of Wisconsin's longest-serving governor running a Jesse Venture-style third party campaign for the state's highest office, anything could happen.

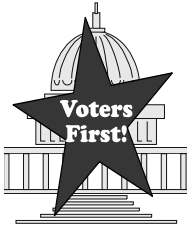
In the coming year, the Wisconsin Democracy Campaign will continue pressing for those responsible for the caucus scandal and the political corruption that has taken root in our state to be brought to justice. And, WDC will continue its advocacy for passage of comprehensive campaign reform legislation that truly puts voters first.

WDC also will be pushing for a thorough overhaul of the state Elections Board and Ethics Board (related articles on page 3) and legislation explicitly banning lawmakers from trading votes for campaign donations (see page 4). Improving television election coverage and promoting free air time for candidates will be priorities, too.

Legislative support grows for WDC-backed reform bill

It appears increasingly likely that the state legislature is going to act on campaign finance reform legislation in its spring session.

Significant developments late last month signaled growing support in the legislature for Senate Bill 104, the comprehensive campaign reform bill largely based on the Wisconsin Democracy Campaign's "Voters First" plan and backed by WDC and 46 other groups that are part of the Voters First coalition.



Just before the holidays, Assembly Democrats as a group endorsed SB 104. The addition of Assembly Democratic support significantly broadens its bipartisan support. The bill already had the backing of the majority of Senate Republicans and Senate Democrats.

The bill passed the Senate Judiciary, Consumer Affairs and Campaign Finance Reform Committee on a bipartisan vote in July, and cleared the Senate Organization Committee in October when Senate Majority Leader Chuck Chvala gave the bill his blessing.

Only Assembly Republicans are still holding out. But key members within their ranks are beginning to call for action. Representative Dean Kaufert of Neenah, who serves on the legislature's Joint Finance Committee, asked Speaker Scott Jensen to push campaign finance reform to the top of the Assembly's agenda for the session starting this month.

In particular, Kaufert asked Jensen to make Senate Bill 104 a priority for debate. In a letter to Jensen, Kaufert wrote, "(SB 104) has bipartisan support, but has been stalled by the leaders of the Assembly and the Senate."

In a post-holiday statement, Speaker Jensen put campaign reform at the top of the Assembly's to-do list. He praised SB 104, but indicated a preference for an alternative reform bill being put together by Representative Marc Duff (R-New Berlin).

Small change buys big change

If Senate Bill 104, the leading campaign reform measure under consideration in the legislature, had been in effect in the last election, legislative candidates would have collected \$6 million less from special interest donors and spent nearly \$2 million less on their campaigns, a recently released Wisconsin Democracy Campaign study showed.

SB 104 would place new restrictions on campaign contributions, limit campaign spending and provide partial public financing of election contests. Its cost is just under \$4.1 million a year, or a mere \$1.05 a year for each of the state's 3.9 million taxpayers.

Had SB 104 been in effect for the 2000 election:

- **Fundraising by legislative candidates would have been cut 59%, from \$10.1 million to \$4.1 million.**
- **Campaign spending by legislative candidates would have been reduced \$1.9 million, or 23%.**
- **The cash advantage incumbent legislators enjoyed – which ran as high as \$14 for every \$1 spent by their opponents in the final months before the election – would have been wiped out.**

SB 104 also would have had a profound impact after the 2000 election. Because the bill prohibits campaign fundraising during the state budget process, *fundraising in the first six months of 2001 would have been cut from \$1.8 million to \$182,722, a 90% reduction.*

WDC calls question on reform bill

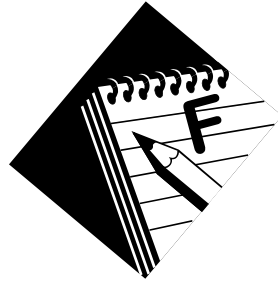
The front-runners in the governor's race ran for cover when challenged by the Wisconsin Democracy Campaign to take a public stand on Senate Bill 104.

Governor Scott McCallum replied that he does not comment on specific legislative proposals. Attorney General James Doyle, a Democratic candidate, expressed support for the reform concepts but said he had "practical and constitutional questions" that prevented him from endorsing it.

The other Democratic candidates – Congressman Tom Barrett, Dane County Executive Kathleen Falk and State Senator Gary George – endorsed SB 104, whose author is Neenah Republican Mike Ellis. Libertarian Ed Thompson said he prefers term limits.

Top state politicians earn poor marks for shabby disclosure

Three dozen state officeholders violated campaign finance laws by not adequately revealing the special interests behind nearly \$317,000 worth of large individual campaign contributions they accepted during the first six months of 2001, a Wisconsin Democracy Campaign analysis showed.



State campaign finance laws require candidates to identify the occupation and employer of individual donors who contribute over \$100. This information is the heart and soul of meaningful disclosure because it identifies the special interests who support candidates and seek to influence how elected officials vote on public policy.

Among those receiving an “F” from the Democracy Campaign were Republican Governor Scott McCallum, whose campaign improperly reported 160 large individual donations worth \$141,406, and Democratic Attorney General James Doyle, whose campaign omitted required information on 81 large contributions worth \$96,380.

The grades for all constitutional officers, candidates and legislators who received individual contributions of more than \$100 are available online at www.wisd.org.

Elections Board whitewashes caucus, party issue ad probes

The state Elections Board stopped its investigation into apparent illegal collusion between the Assembly Republican Caucus and a shadowy private campaign group known as Project Vote Informed without interviewing two central figures in the case, caucus staffers Mark Jefferson and Heather Smith.

Moreover, when the Board voted 7-1 in November to dismiss the complaint filed by the Wisconsin Democracy Campaign and Common Cause in Wisconsin that triggered the probe, a response from former Assembly Republican Caucus director Jason Kratochwill was still in the mail.

On the same day, the Board opened a gaping new loophole in Wisconsin’s campaign finance laws when it dismissed two Democracy Campaign complaints that aimed to stop the state political parties from skirting disclosure laws and contribution limits by running “issue ads.”

WDC: Overhaul ‘jury of pals’

Calling the state Elections Board the captive of the political power brokers it is supposed to regulate, the Wisconsin Democracy Campaign called for a major overhaul of the agency.

“The Elections Board is not a jury of citizens’ peers, it’s a jury of the politicians’ pals,” WDC executive director Mike McCabe said. “What is supposed to be the public’s campaign finance watchdog has become little more than a loophole mill.”

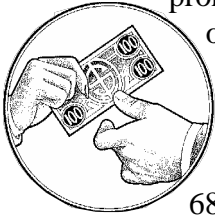
Currently, board members are appointed by state’s top political leaders, including the governor and the four legislative leaders. The two major state political parties also each have an appointment. WDC proposes replacing the partisan appointments with nonpartisan appointees selected by the nonpartisan justices of the state Supreme Court.

The Democracy Campaign also proposes adding a campaign finance investigator and an auditor to the Board’s staff to beef up its enforcement capabilities.



WDC works for 'pay-to-play' ban

The Wisconsin Democracy Campaign worked with Representative Mark Gundrum (R-New Berlin) to develop legislation that explicitly prohibits legislators from taking an official action or withholding action in exchange for campaign contributions.



The legislation – Assembly Bill 682 – received a public hearing in late December and unanimously passed the Assembly Campaigns and Elections Committee earlier this month. WDC executive director Mike McCabe said, “it is a sad commentary on the current ethical climate in Wisconsin government that such legislation is needed. Political corruption has taken root in our state.”

Speaking of the shakedowns for donations lobbyists have experienced at the hands of legislative leaders, McCabe said: “Call it what it is – extortion.”

Members send politicians a message

We’ve received a number of membership contributions recently – some from people giving to WDC for the first time and some from longtime members – with notes saying they’re sending *us* the money they would have ordinarily sent political candidates. One new member even was moved to declare his intentions in a letter to the editor.

He wrote to two Madison dailies: “Personally, my support now shifts to...the Wisconsin Democracy Campaign.... Legislative campaigns and political parties won’t get a dime from me.” Here’s hoping this is a trend in the making.



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