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Out of Politics!

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WDC complaints yield 20 fines against fat cat donors, ex-governor for illegal contributions

In yet another sign of the deteriorating ethical climate in Wisconsin politics, 19 wealthy donors and former Governor Scott McCallum were fined by the state Elections Board for making or accepting illegal campaign donations. The board acted in response to complaints filed by the Wisconsin Democracy Campaign.

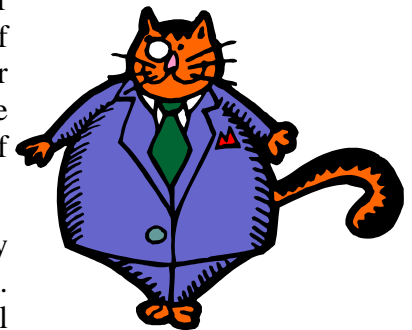
The board levied fines totaling \$7,661 against the donors and fined McCallum \$100. The board also ruled one other donor violated the law but only issued a “letter of admonition” as punishment, and sent another contributor a letter urging him to be more careful in the future. Over 20 donors were let off the hook altogether.

The penalties were only a fraction of the nearly \$317,000 in fines the board could have assessed. The board also could have pursued criminal penalties of up to six months in prison.

WDC brought evidence of illegal campaign donations to the attention of the Elections Board in the past, but the board took no action. This prompted WDC to file formal complaints this time in an effort to force the board’s hand.

“They looked the other way every chance they got,” WDC executive director Mike McCabe said of the board. “But they couldn’t find a way to give them all the benefit of the doubt, so they gave some of them a slap on the wrist.”

The lenient response is the latest in a string of actions that illustrate why the structure of the board needs to be reformed. WDC supports **Senate Bill 11**, which merges the Elections Board and Ethics Board into a single agency under the direction of a politically independent board with expanded enforcement



TAKE ACTION — Demand a vote on SB 11

Senate Bill 11 was approved by a Senate committee over two months ago, but still has not be scheduled for a vote in the full Senate. Please take a minute to call the **toll-free legislative hotline at 800-362-9472** (266-9960 in Madison) to leave a message with your state legislators urging them to support SB 11.

Senate Majority Leader Mary Panzer needs to schedule SB 11 for a vote. Call her office toll free at **800-662-1227** or e-mail sen.panzer@legis.state.wi.us.

Contact Governor Jim Doyle by phone at **608-266-1212** or online at www.wisgov.state.wi.us/contact.asp.

McCain-Feingold, Part 2

Bill aims at role of TV in campaigns

Arizona Republican John McCain, Wisconsin Democrat Russ Feingold and Illinois Democrat Richard Durbin reintroduced a bill late last month that would require the nation's television and radio stations to live up to their public interest obligations by providing voters with more information about candidates and issues at election time.



- Require that television and radio stations, as part of their public interest obligation when they receive a free broadcast license, air at least two hours a week of candidate-centered or issue-centered programming during the period before elections.
- Enable qualifying candidates and parties to receive up to \$750 million worth of broadcast vouchers that can be used to place political advertisements on television and radio stations in each two year election cycle. The voucher system will be financed by a spectrum use fee of not more than 1% of the gross annual revenues of broadcast license holders.
- Close loopholes in the "lowest unit cost" provision so candidates receive the same advertising rates that stations give to their high-volume, year-round advertisers. A national study released last month found that in the final two months of campaign 2002 stations around the country raised their rates by an average of 53%.
- Provide better disclosure of political advertising time bought by candidates.

New studies show need for Our Democracy, Our Airwaves Act

Local television stations around the country jacked up the prices of candidate ads by an average of 53% in the two months before the 2002 election, exploiting a campaign-driven spike in demand, according to a study by the national Alliance for Better Campaigns.

The study analyzed the sale of more than 37,000 political ads on 39 local stations in 19 states. Two Wisconsin stations were included in the survey – Madison's WISC and WMTV. WISC's price increases in the final weeks of the 2002 campaign averaged 92%, while WMTV's ad prices increased an average of 47%.

The Wisconsin Democracy Campaign is a state partner of the Alliance for Better Campaigns and collected ad sale data from the public files of the local TV stations for the study.

The price hikes by television stations around the country occurred despite a three-decades old federal law that is supposed to prevent such pre-election profiteering.

Another new study of election news on 122 local television stations, including three Milwaukee stations found that over half of the top-rated news broadcasts aired in the seven weeks before Election Day in 2002 did not contain a single campaign story, and the stories that did air primarily focused on campaign strategy and horse race coverage, rather than issues.

The average campaign story was less than 90 seconds. Less than a third of the stories included candidates speaking, and when they did, the average sound bite was 12 seconds long. While viewers watching top-rated local news programs had a less-than-even chance of seeing any campaign coverage at all, more than 80% of them aired at least one paid political ad and about half of the broadcasts contained three or more political ads. The ratio of political ads to campaign news stories was nearly 4 to 1.

Both studies are available on the WDC's web site at www.wisdc.org/free_air_index.html.

Special interests lubricate budget-making machinery

Special interests with a big stake in state budget decisions made \$1.9 million in campaign contributions to state officials in the first half of 2003 while lawmakers were crafting the budget.

Legislators and leadership committees collected \$1.3 million in the six-month period, and Governor Jim Doyle accepted more than \$560,000 while his proposed budget was in play and before he used his veto authority to finalize policy and spending changes that left several major special interest

WDC supports banning all campaign fundraising during the state budget process.

contributors virtually unscathed despite the state's \$3.2 billion deficit.

Contributions to legislators while they considered the 2003-05 budget were 46% higher than the \$875,715 accepted by legislators in the comparable period four years ago following a race for governor and other statewide offices.

The fundraising in the first half of 2003 comes on the heels of an election year that saw wealthy special interests spend \$25 million on contributions and campaign ads for candidates for statewide office and the Legislature. It also comes after the indictments of five top legislative leaders on felony misconduct charges, many of which relate to alleged pay-to-play activity when the Legislature considered the 2001-03 budget.

The Wisconsin Democracy Campaign has proposed a ban on campaign fundraising during the state budget process. Such a prohibition is included in **Senate Bill 12**, which WDC supports.

A complete list of the amount raised in the first six months of 2003 by all legislators and state constitutional officers and the current cash balances in their campaign accounts is available on the Democracy Campaign's web site at www.wisd.org.

Out-of-state donors pour record cash into state campaigns

Large contributions from wealthy out-of-state donors to Wisconsin candidates for statewide office and the Legislature soared to a record \$1.2 million in 2002 – a third of it to Democratic Governor Jim Doyle – a Wisconsin Democracy Campaign analysis shows.

The 2002 total more than doubled the previous high for out-of-state contributions – \$564,795 in 2001. It also represents a 142% increase over total out-of-state donations during the last gubernatorial election year in 1998 and a 172% increase over the 1994 election year.

Banking and financial interests contributed the most, followed by lawyers and lobbyists, business interests and the construction industry. Within the banking and finance industry, out-of-state payday lenders led the way. Payday lenders have opened more than 200 locations in Wisconsin in the past six years and have successfully fought legislation to restrict the triple-digit interest rates they charge customers.

The top individual out-of-state donors included the owners of a Michigan-based high interest lender called Loan Giant, Wal-Mart owners John and Christy Walton, and Corrections Corp. of America director Henri Wedell. CCA has a \$50 million a year contract with the state to house Wisconsin inmates in private prisons in other states.

Well, if *that's* all it is....

A \$250 contribution by Milwaukee lawyer Franklyn Gimbel to Milwaukee County Sheriff David Clarke Jr. raised more than a few eyebrows – not because of its size, but because of the circumstances surrounding it and Gimbel's response to concerns about a conflict of interest.

Gimbel represented sheriff deputies in department matters for three decades, and candidly explained that his practice of making campaign contributions to the sheriff helps keep the top cop's door open to him when he needs to plead a deputy's case.

"That's not corruption, it's called total representation," he said.

WDC e-mail network quadruples in size; members laud quality

An increasingly important way the Democracy Campaign spreads its research findings and its reform message is through electronic-mail updates and action alerts.

The number of people in WDC's statewide e-mail network has more than quadrupled in the last year. One factor in the growth of the list is a feature of WDC's web site that allows visitors to the site to sign up for e-mail updates. Membership is not required, and recipients can remove themselves from the list at any time. Go to www.wisdc.org to sign up.

Feedback from recipients has been glowing. For example, one member wrote: *"I very much appreciate*



and concise. Next to the special place in heaven for junior high school teachers is the special place for those who inform us of important intelligence...."

Another wrote: *"I love getting e-mail from you! And I love the work you're doing. You're the best thing that's happened to democracy since women got the vote."*

And this.... *"I've been meaning to write to you folks to say thanks for the important work you are doing. Your e-mails are a pesky, but welcome, reminder that we need to fight for democracy if it is to survive in our nation. You are true patriots. Keep up the great work!"*

This came all the way from New Hampshire from a genuine folk hero, Doris "Granny D" Haddock: *"Thank you for continuing to send me your news. It helps to know what is going on in the states.... You are making an heroic effort! I wish all of our states had as much gumption as you are showing. Congratulations."*

(signed) grannyd



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