



# Big Money Bulletin

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Get Big Money



Out of Politics!

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On the Web:  
[www.wisdc.org](http://www.wisdc.org)

## Our Democracy, Our Airwaves Media Conference

Friday, May 21, 2004

Monona Terrace  
Conference Center

Madison, Wisconsin

*Sponsored by the Wisconsin Democracy Campaign  
and the Alliance for Better Campaigns*



Media issues are central to the health of our democracy and are growing more critically important by the day. Concentrated media ownership leaves fewer and fewer media organizations with more and more control over what we all read, see and hear every day. And the exorbitant cost of political advertising on television and other media is the root cause of the campaign arms race that prices ordinary citizens out of the political marketplace and has spawned the biggest political corruption scandal in Wisconsin's history.

In so many ways, the fate of issues we all care about is in the hands of the media. To build on the energy and momentum of last November's National Media Reform Conference, WDC aims to engage citizens from across Wisconsin in discussion and strategic planning about how to make sure media organizations in our own backyards serve the public interest.

Conference speakers will include John Nichols of *The Capital Times* and *The Nation*, FightingBob.com editor Ed Garvey, U.S. Senator Russ Feingold (invited), WISC-TV's editorial director Neil Heinen and Meredith McGehee of the Alliance for Better Campaigns.

More information about the conference is available on WDC's web site at [www.wisdc.org](http://www.wisdc.org).

Hope to see you there.

## Elections Board to act on WDC-initiated disclosure rule

The state Elections Board plans to act at its next meeting May 19 on new rules requiring full disclosure of unlimited and anonymous “soft money” donations and phony “issue ads” run by special interest groups during election campaigns.

After the U.S. Supreme Court upheld the constitutionality of the federal McCain-Feingold Bipartisan Campaign Finance Reform Act last December, the Democracy Campaign asked the Elections Board to adopt state rules mirroring the McCain-Feingold law.

The Board voted 5-4 in January to proceed with rulemaking, and then voted 5-4 in March to reject a motion to suspend the rulemaking process. After defeating that attempt to derail proposed rulemaking, the Board voted 5-4 to direct its staff to develop a rule for approval at its May meeting. The Democracy Campaign wrote the draft rule that was then put forward by the Board’s staff for public comment and the Board’s consideration.

Like the federal McCain-Feingold law, the proposed state rule would ban soft money and regulate issue ads. Specifically, the draft rule defines broadcast and direct mail communications made within 30 days of a primary election or 60 days of a general election that identify a candidate for state office as “electioneering communications” made for a political purpose, thereby subjecting them to disclosure requirements and campaign contribution limits.

The rule would close a gaping loophole in Wisconsin’s campaign finance laws that allowed an estimated \$4 million in special interest campaign donations to escape detection by the state’s disclosure system in 2002. (See article on next page.)

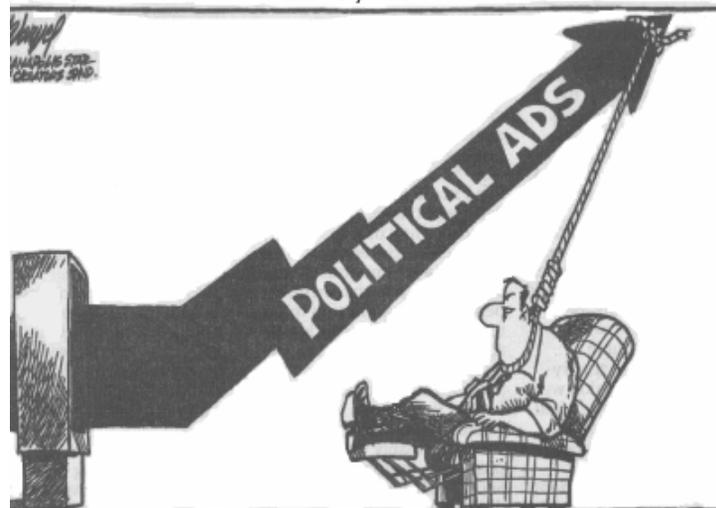
### Take Action to Stop Sham Issue Ads & Illegal Soft Money

Contact the State Elections Board and urge the Board to adopt rules requiring full disclosure of soft money and phony issue ads.

Phone: (608) 266-8005

E-mail: [seb@seb.state.wi.us](mailto:seb@seb.state.wi.us)

## Misery Index



## Reform bill gutted, then killed

Senate Bill 12 – the Ellis-Erpenbach campaign finance reform bill supported by the Democracy Campaign – was gutted by changes negotiated by Senator Mike Ellis (R-Neenah), legislative leaders and major special interest groups in February. These changes resulted in Senator Jon Erpenbach (D-Middleton) pulling his sponsorship of the legislation. WDC opposed the changes and withdrew its support of the bill.

The original SB 12 prohibited corporate contributions to influence state election campaigns. Under the revised bill, unlimited corporate contributions were permitted.

The original bill was devoted to full disclosure of all election-related activities, including the source of all campaign contributions made to influence elections. The compromise would have kept the public in the dark about the source of “soft money” donations.

Despite last December’s U.S. Supreme Court ruling that soft money-financed issue ads may be regulated, the compromise went to extreme lengths to protect this gaping loophole in Wisconsin’s campaign finance laws – even to the point of expressly prohibiting the state Elections Board from adopting rules requiring full disclosure of this special interest money.

Legislative leaders appeared poised to push for a vote on the amended version of SB 12 before the Legislature’s regular session ended March 11. But after losing its bipartisan support, Senator Ellis pulled the bill and no action was taken. Discussions on the bill continue and the possibility of a special session on campaign finance reform this year remains.

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## WDC selected as new member of Community Shares of Wisconsin

The Wisconsin Democracy Campaign is a new member of Community Shares of Wisconsin, an umbrella organization that raises funds to support 60 local nonprofit groups that address social, economic and environmental issues through grassroots activities, advocacy, research and public education.



Community Shares of Wisconsin raises funds for its member agencies in the fall through an employee

payroll deduction campaign for private and public sector employees. Community Shares of Wisconsin also supports member agencies through special events and e.Power, an online giving campaign.

For more information about Community Shares of Wisconsin, visit the organization's web site at [www.communityshares.com](http://www.communityshares.com).

### **Thank You!**

## Members dig deep to qualify WDC for \$15,000 matching grant

Thanks to an overwhelming response from members, the Wisconsin Democracy Campaign has qualified for a \$15,000 challenge grant from the Quixote Foundation for this year to spread the word about WDC's work to a larger audience throughout the state through paid media campaigns.

Quixote pledged that if the Democracy Campaign could raise \$15,000, the foundation would match it with \$15,000. WDC exceeded the fundraising goal, raising \$15,910.

With this funding, WDC will be able to make more people aware of our work with paid advertisements. (Examples of past ad campaigns are on WDC's web site at [www.wisdc.org/pr091503.html](http://www.wisdc.org/pr091503.html).)

Thank you to all who responded to our special appeal and made it possible for WDC to take advantage of this golden opportunity.

## Special interest electioneering more hidden than disclosed

For the first time, more electioneering by organized special interest groups in 2002 state races escaped detection than was accounted for publicly, a Wisconsin Democracy Campaign study entitled *From Sunlight to Darkness* shows. (The full report is available at [www.wisdc.org/suntodark.html](http://www.wisdc.org/suntodark.html))

An estimated \$4 million in undisclosed special interest campaign contributions slipped under the radar in the last election. This compares to the \$2.6 million in special interest money that was reported on campaign disclosure reports filed by interest

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### ***WMC reported a grand total of \$450 in election-related giving and spending in an election year that featured a \$23 million race for governor.***

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groups' registered political action committees.

A stark example of the trend away from publicly disclosed campaign activity toward anonymous and unaccountable electioneering is one of the state's most powerful interest groups – business lobby Wisconsin Manufacturers and Commerce – which reported a grand total of \$450 in election-related giving and spending in an election year that featured a \$23 million race for governor.

Advocacy groups allied with both major state political parties are skirting disclosure requirements and campaign contribution limits by increasingly turning to anonymous and unlimited "soft money" donations to pay for "issue ads" supporting or opposing candidates.

The holes in Wisconsin's campaign finance disclosure system have not been plugged despite last December's U.S. Supreme Court ruling upholding a federal soft money ban and full disclosure of issue ads. A 1999 Wisconsin Supreme Court decision also held that the state may regulate issue ads and invited either the Legislature or state Elections Board to do so. (See article on page 2 about the Elections Board's plan to act on a proposed disclosure rule in May.)

## **WDC director honored by environmental advocacy group**

Wisconsin Democracy Campaign executive director Mike McCabe was named the 2004 Environmental Advocate of the Year by the Green Bay-based Clean Water Action Council at the group's annual banquet last month.

The Democracy Campaign figured prominently in efforts last year to raise public awareness of the role industry lobbyists played in writing and enacting business deregulation legislation known as the "Job Creation Act."

WDC documented that special interests supporting the bill gave lawmakers nearly \$9 million in campaign contributions, and also publicly criticized the practice of allowing lobbyists representing those interests to write the legislation.

## **Gaucus scandal update**

### **Ex-leaders still on legal hook**

A state appeals court refused to throw out criminal charges against two top Republican legislators and a former aide earlier this month. The three are accused of using their state offices as campaign headquarters.

The court rejected arguments by outgoing Assembly Majority Leader Steve Foti, former Speaker Scott Jensen and former Foti aide Sherry Schultz that felony charges of misconduct in public office were unconstitutionally vague and violated the separation of powers between the branches of state government.

The court's ruling mirrored its February decision that charges against former Senate Democratic Leader Chuck Chvala can go forward. In ruling against the three Republicans, the court called their activity "public financing of private campaigns without the public's permission."



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