



# Big Money Bulletin

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Get Big Money



Out of Politics!

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## WDC wins – corrupt caucuses are history

Doing what most everyone close to Wisconsin government insisted would never happen, both houses of the state legislature voted in October to eliminate the scandal-plagued legislative caucuses. The vote in the Senate was 30-3. The vote in the Assembly was 86-8.

Abolition of the taxpayer-funded political operations is a major victory for the Wisconsin Democracy Campaign, the first reform group to publicly call for their elimination and until this year the only group to challenge the legitimacy of the leadership-controlled offices. WDC filed formal complaints that triggered investigations into apparent violations of state ethics, campaign finance and open records laws by the caucuses.

WDC staff also have been providing information on caucus activities to *Wisconsin State Journal* reporters since last November. The newspaper's probe of political work done by state employees in the four partisan caucuses ultimately unearthed documents showing how state offices and resources were used for campaign purposes. The *State Journal* also quoted current and former legislators and staff describing illegal activities, and reported that one caucus destroyed public documents to hide incriminating evidence.

In addition to the elimination of the caucus offices, strict new workplace rules governing everything from telephone and Internet use, time reporting, and accounting for vacation days have been put in place to prevent future abuses of state offices and resources.

While the agreement approved by the legislature abolishes the caucus offices and improves oversight of all legislative employees, it eliminates only 32 of 62 former caucus positions for a savings of about \$2.6 million a year. The remaining staff positions are slated to be moved to other locations.

The worst aspect of this feature of the deal is that the four legislative leaders each are to receive six additional staff members, twice what they have now. WDC is working to eliminate these staff positions, and the Assembly voted 59-37 not to fill the 12 positions the Assembly speaker and minority leader would receive. The Senate has twice beaten back attempts to cut the 12 new positions for its leaders, but the issue is sure to surface again.

Also missing so far is personal accountability for the wrongdoing. But the agreement to eliminate the caucuses does not affect ongoing investigations by district attorneys in Dane and Milwaukee counties which could lead to criminal charges.

### 3 reasons the caucuses had to go

1. Taxpayer money – \$4 million worth every year – was flagrantly misused for secret, illegal campaigning by state employees.

The caucuses badly tarnished Wisconsin’s reputation for clean and open government, and undermined respect for the state’s ethics code and campaign finance laws.

2. The caucuses made elections less competitive and robbed voters of meaningful choices.

In 1970 – before the caucuses were turned into taxpayer-funded campaign machines – there were no uncontested races for the state legislature. In the 2000 elections, 40% of legislative incumbents faced no major party opposition.

The caucuses provided incumbents with a small army of taxpayer-supported political operatives and \$4 million of the public’s money to help them get re-elected. Add the private special interest money soaked up by incumbents’ campaign committees, which gave them a 14-1 fundraising advantage over those challenging them for their seats, and it’s hardly surprising that almost all of them were re-elected.

3. The caucuses concentrated power in the hands of legislative leaders. Public policymaking became less democratic and rank-and-file legislators became less responsive to the people they were elected to represent and more beholden to the leaders.

Thanks in substantial part to the caucuses, in a single generation Wisconsin’s legislature has gone from being one of the most decentralized legislatures in the country to one of the most centrally controlled.

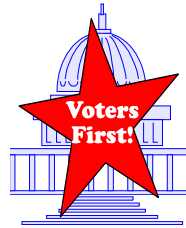
Twenty years ago, many of the state’s elected representatives had a meaningful say in public policy decisions. Today, a handful of leaders are calling the shots. The leadership-controlled caucuses, working in tandem with the leaders’ campaign committees, are the primary culprits in this disturbing transformation.

*“We’re going to ride this one out.”* — Mike Browne, spokesman for Senate Majority Leader Chuck Chvala, on WDC’s call in May for caucus investigations.

### WDC campaign reform bill inches closer to finish line

A comprehensive campaign finance reform bill largely based on the Wisconsin Democracy Campaign’s “Voters First” plan has cleared two Senate committees and awaits a debate in the full Senate.

The legislation – Senate Bill 104 – was approved in July on a bipartisan 4-1 vote by the Senate Judiciary, Consumer Affairs and Campaign Finance Reform Committee. In October, it cleared the Senate Organization Committee. It now needs the approval of the legislature’s Joint Finance Committee before it can be scheduled for floor debate.



SB 104’s author, Neenah Republican Mike Ellis, reached agreement with Milwaukee Democrat Gary George on a number of changes drawn from Senate Bill 62, the Voters First bill. It was announced last month that Senate Majority Leader Chuck Chvala now supports the legislation.

In late October, a coalition of 43 statewide advocacy groups led by WDC wrote a letter to Joint Finance Committee members urging them to take prompt action on SB 104.

The bill:

- Limits spending by candidates for governor to \$2 million. (Former Governor Tommy Thompson spent \$7.1 million in the 1998 election.)
- Limits spending by Senate candidates to \$120,000 and limits Assembly candidates to \$60,000. (Candidate spending in the 2000 elections reached a high of \$409,279 for a Senate campaign and \$211,071 for an Assembly campaign.)
- Provides candidates who agree to the spending limits public grants equal to 45% of their campaign costs.
- Provides matching grants to candidates who limit their spending but have special interest campaigns run against them or who face opponents who refuse to abide by the spending limits.
- Bans fundraising during the state budget process.
- Eliminates the leadership-controlled legislative campaign committees.

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## **Budget on the Auction Block** ***Lawmakers sell pork for donations***

State lawmakers crafting the 2001-03 state budget offered an array of tax breaks, pork barrel spending and other budget favors worth \$819 million – or \$211 for every Wisconsin tax filer – to special interests who contributed unprecedented sums to campaigns in their bid to get preferential treatment, a recent Wisconsin Democracy Campaign study shows.

WDC's analysis shows the budget bill was an extraordinarily effective fund-raising tool, as legislators reaped a record \$1.6 million in campaign donations as they worked on the state budget, an 83% increase over the \$875,715 legislators raised in the first half of 1999 when they crafted the previous state budget.



Governor Scott McCallum raised nearly \$1.9 million while the budget was being shaped. While the governor touted saving taxpayers \$62 million with 315 budget vetoes, he originally proposed or gave final approval to at least \$573 million worth of special interest items.

“The state budget was put up for sale to the highest bidder, and the auction ended up costing ordinary citizens a bundle,” said WDC executive director Mike McCabe, adding that many non-fiscal items of inestimable value to special interests also were included in the budget to benefit big donors. “Lawmakers used the budget as a campaign cash cow as never before.”

Legislators such as Senate Majority Leader Chuck Chvala, Assembly Speaker Scott Jensen and Joint Finance Committee co-chair Brian Burke were among the most prolific fundraisers.

WDC is advocating for a prohibition on campaign fundraising during the state budget process. Such a ban is included in Senate Bill 104, which has the support of WDC and 43 other groups that are part of the Voters First coalition.

The full report, entitled “Hey Bidder, Bidder...,” is available online at [www.wisdc.org](http://www.wisdc.org).

## **Lobbyist's pay-to-play memo** **proves prophetic, WDC shows**

Special interest donors changed their giving patterns to meet demands made by Senate Majority Leader Chuck Chvala that were detailed in an April memo by a prominent lobbyist to his clients, according to a Wisconsin Democracy Campaign analysis released in October.

Lobbyist Tony Driessen's memo informed clients that Chvala would “not look favorably” on groups that give more collectively to the 56 Assembly Republicans than they give the 18 Senate Democrats.

After the memo circulated, special interest giving to the Senate Democrats jumped sharply. While only four of the top 23 special interest groups gave more money to Senate Democrats than Assembly Republicans two years ago, 17 of the 23 did so in the first six months of this year.

In addition, three Democratic senators named in Driessen's memo as Chvala's “highest priority” candidates hauled in an average seven times more in campaign contributions than their colleagues.

Contributions to the trio – Senators Kimberly Plache of Racine, Judy Robson of Beloit and James

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***Donors changed their giving patterns to meet demands a veteran lobbyist said***  
***Senate Majority Leader Chvala made in meetings with special interest groups.***

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Baumgart of Sheboygan – increased a whopping 787% after Chvala's meetings with lobbyists on his fundraising expectations.

The strong-arm fundraising tactics detailed in Driessen's memo would be stopped if the legislature enacts Senate Bill 104, which includes a prohibition on fundraising during the state budget process.

Call the toll-free legislative hotline (1-800-362-9472) and urge your legislators to support SB 104.

## It's all on the web

The Wisconsin Democracy Campaign's award winning web site, [www.wisdc.org](http://www.wisdc.org), features a vast collection of reports on money in Wisconsin politics, as well as the state's only searchable database of campaign contributors.

A small sampling of the studies includes:

***Hey Bidder, Bidder...*** – How the state budget has been put on the auction block by lawmakers hungry for campaign contributions.

***Playing the Policy Market*** – Special interests making large donations to legislators are getting a return on their investment averaging 33,000%.

***Legal Laundering*** – How special interest money is being laundered through campaign committees.

***Modern Carpetbaggers*** – The heavy dependence of legislators on campaign contributions from people they are not elected to represent.

***Gated Community*** – How the use of taxpayer-funded legislative staff, mailing privileges and other public resources to advance the electoral fortunes of current officeholders has turned the legislature into a gated community where only favored insiders can gain access.

## Welcome aboard!

Sandra Smith joined WDC's staff in October as policy analyst. Sandra has worked as an aide to several legislators in both houses of the Wisconsin Legislature, and more recently worked as a community advocacy specialist for the American Cancer Society.



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