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Make People Matter



More Than Money!

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**On the Web:**

**[www.wisdc.org](http://www.wisdc.org)**



## Impartial Justice bill nears goal line

Wisconsin stands on the brink of accomplishing the most extensive campaign reform in more than 30 years as final legislative action nears on the Impartial Justice bill overhauling state Supreme Court elections. The legislation – introduced as SB 40 in the Senate and AB 65 in the Assembly – has been approved by committees in both houses and awaits promised votes by the full Legislature.

Assembly Speaker Mike Sheridan and Majority Leader Tom Nelson outlined the Assembly Democrats' fall agenda in a September 15 memo and the Impartial Justice bill was listed among the items that will be debated and voted on.

Back in January, Senate Democratic leader Russ Decker issued a statement pledging that the Supreme Court reform bill, which establishes publicly financed high court elections, would be among the first bills the Senate acts on.



### TAKE ACTION!

### The time for Supreme Court election reform has come.

Call Senate Leader Russ Decker (**608-266-2502**) and Assembly Speaker Mike Sheridan (**608-266-7503** or toll-free **888-947-0044**) and tell them to keep their promise and promptly schedule a vote on Supreme Court election reform.

Also call the toll-free Legislative Hotline at **800-362-9472** (**266-9960** in Madison) to leave a message for your state senator and representative urging them to support the Impartial Justice bill.

(If, by the time you receive this edition of the *Big Money Bulletin*, a vote has been scheduled or taken on the bill, please call Decker and Sheridan as well as your legislators to thank them.)

## **Assembly panel holds hearings, will write campaign reform bill**

The Assembly Elections and Campaign Reform Committee held public hearings in Green Bay and Madison simultaneously via teleconference on October 8, in the Milwaukee area on October 14 and in Eau Claire October 15.

Committee chairman Jeff Smith of Eau Claire scheduled what he called the “Clean Elections Tour” to get public input that will be used to craft legislation overhauling the way state legislative elections and contests for statewide offices like governor and attorney general are paid for.

Democracy Campaign director Mike McCabe spent over 45 minutes testifying and answering questions from committee members at the October 8 hearing. He said the state needs “reform that makes people matter more than money,” adding that “Wisconsin has strayed a million miles from that ideal.”

WDC’s testimony spelled out three factors that led to the collapse of a system of election financing that was put in place in 1977 and for a decade was a model for the nation – a funding source that was never changed or adjusted for inflation, spending limits that were frozen in place in 1986, and the emergence in the late 1990s of outside interest groups doing their own campaigning for or against candidates.

Suggested remedies for all three problems were then offered in the testimony. McCabe concluded by boiling the choice down to this: “We can pay millions for voter-owned elections, or billions for the donor-owned elections we have today.”

## **State reporting system a ‘mess’**

In testimony at a September 1 public hearing, the Democracy Campaign outlined problems with Wisconsin’s new online reporting system for campaign finances. The testimony pointed to erroneous information including mislabeled or wrongly reported campaign contributions and expenses, as well as incorrect spending, fundraising and cash balance figures. It concluded that a year after implementation the system “still is a mess” and it is “now harder and more time consuming for citizens to gain access to public records pertaining to how campaigns are financed than it was under the old system.”

## **Payday lenders give record sums**

So-called “payday lenders” whose operations have expanded wildly in recent years in Wisconsin could read the handwriting on the wall as the 2008 elections approached. It looked almost certain that Democrats who had favored capping the industry’s controversial loan rates would capture full control of the state Legislature.

A WDC report issued in September showed the owners of stores specializing in cash advances and other forms of lending with annual interest rates routinely topping 500% gave a record \$140,200 to the governor and legislative candidates in 2008. Six of the top seven recipients were Democrats.

Legislation to rein in the industry’s practices continues to languish in committee.

Most of the payday lenders that do business in Wisconsin are from outside the state – Ohio, Illinois, Tennessee, Florida, Georgia and Texas. Payday lenders were the leading source of out-of-state special interest contributions in 2008 as they have been in many previous years. In 2008, \$106,700 of the \$140,200 in industry donations to Wisconsin politicians came from payday lenders outside of the state. So far in 2009, \$24,570 of the \$28,570 in payday lender contributions has come from outside Wisconsin.

## **3 loan sharks among 14 flagged for illegal campaign contributions**

Three payday lenders were among 14 individuals who exceeded the \$10,000 annual limit on total contributions to state and local candidates and political committees in 2008, a Democracy Campaign review of campaign finance reports published earlier this month showed. The contributors who exceeded the \$10,000 limit doled out between \$10,050 and \$18,125, the records showed.

Among them was Robert Wolfberg of Glencoe, Illinois, co-owner of PLS Financial Services which operates a chain of more than 300 PL\$ Check Cashers stores in nine states, who contributed \$15,775 to 29 candidates and committees. Daniel Wolfberg of Winnetka, Illinois and PLS Financial’s other co-owner, also exceeded the contribution limit by doling out \$10,500. Kevin Dabney of Waukesha, president of the Speedy Loan chain, contributed \$14,000.

## Doyle flip-flop follows money

On the eve of an Assembly committee vote at the beginning of September on a legislative proposal to better insulate the state Department of Natural Resources from political pressure, the Democracy Campaign issued a report showing that opponents of the bill have donated more than \$4 million to Governor Jim Doyle compared to the just over \$17,000 he has received from supporters of the plan returning control of the agency to a citizen board.

The bill received committee approval and was passed by the full Assembly, but the Senate has not yet taken any action.

WDC's analysis shed new light on the change of heart the governor had earlier this year on this issue. When Doyle was the state's attorney general, he opposed making the DNR a cabinet agency under the control of then-Governor Tommy Thompson. When he campaigned for the state's highest office and throughout his first term as governor and most of his second term, Doyle remained a supporter of restoring the responsibilities of the Natural Resources Board that had been in place from 1927 to 1995. But he announced in March that he had changed his mind.

Doyle once said having the DNR secretary answer to the governor was a "wholesale attack on the way we protect the environment." But that was before he received 34% of the \$12.24 million his campaign committee has raised in large individual and political action committee contributions from special interest opponents of an independent DNR secretary. The opposition is led by the construction industry which gave Doyle \$1.12 million from 2003 through 2008, followed by the real estate industry at \$865,703, the business community at \$637,454 and manufacturers who have doled out \$527,006.

## Hearing held in Gableman case

Charged with judicial misconduct for a TV ad his campaign committee sponsored in 2008, state Supreme Court Justice Michael Gableman had a hearing before a three-judge panel September 16.

The charges against Gableman mark the second time in state history that a member of the Supreme Court has been accused of violating the Judicial Code of Conduct and faced possible discipline by the high court. Justice Annette Ziegler was found guilty of misconduct last year and was formally reprimanded by her colleagues.



## Support the Democracy Campaign and Community Shares of Wisconsin through workplace giving

This year, more than ever, we need your support. In tough economic times like these, it's especially hard for nonprofit organizations to raise funds.

The Wisconsin Democracy Campaign is a good investment, and our efforts to shine light in dark places at the Capitol and make people matter more than money in politics have never been needed more than they are today.

You can use the enclosed reply card and return envelope to make a much-needed gift to WDC. Another way to donate – and encourage others to do the same – is through workplace giving.

The Wisconsin Democracy Campaign is a member of Community Shares of Wisconsin. CSW is the oldest social action fund in the country, connecting donors with worthy causes to promote social and economic justice and a healthy environment.

Community Shares raises money for its member agencies through workplace campaigns at private sector companies and from public employees through their Combined Campaign.

Through Community Shares, you can:

- Direct your gift to the Wisconsin Democracy Campaign and we receive 100% of your donation; or
- Give to Community Shares and support WDC and about 50 other nonprofits.

To learn more about CSW and its workplace giving program, call **608-256-1066** or check out **[www.communityshares.com](http://www.communityshares.com)** on the Web. And please spread the word about CSW and encourage employers in your community to give their employees this opportunity to change the world in their own backyards.

## Last word

### Old Glory is so yesterday

The U.S. Supreme Court will soon decide a case – *Citizens United v. Federal Election Commission* – that started as a narrow dispute over whether federal election laws should have applied to a pay-per-view cable TV documentary about Hillary Clinton that was to air during the 2008 presidential primary elections.

Chief Justice John Roberts expanded the court’s review to include two earlier Supreme Court rulings upholding restrictions on corporate spending in elections. Many court observers believe five of the nine justices favor reversing those precedents.

So at a time of corporate excess and irresponsibility not seen in our land since the Gilded Age, the court appears poised to rule that corporations do not have enough political clout and should be allowed to spend even more freely in elections. And rule thusly in the name .

name of the First Amendment. Never mind the word “corporation” does not appear in the First Amendment or in the entire U.S. Constitution for that matter. These justices who call themselves “strict constructionists” and claim to be faithful to the original text of the Constitution are getting ready to sweep away century-old laws banning corporate election spending.

If they do this, it will not just be naked judicial activism. It will not simply be the very thing they claim to abhor – legislating from the bench. These justices will be rewriting the Constitution.

What next? Redesign the flag? To capture the essence



of the Roberts court’s mindset, it will need to look like this one.

— Mike McCabe



210 N. Bassett St. Suite 215  
Madison, WI 53703

608 255-4260  
[www.wisdc.org](http://www.wisdc.org)