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**On the Web:**

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

## The Path Ahead

Dear Friend,

Like you, I was very disappointed that the U.S. Supreme Court decided not to take the John Doe II case.

But all is not lost. I'm confident that the U.S. Supreme Court will take up another campaign finance case in the next few years, and I bet it'll strike down the Wisconsin Supreme Court's ludicrous ruling that legalized coordination between candidates and phony issue ad groups.

**"Here are some things we're doing to bring about clean, transparent government, where everyone has an equal voice."**

In the meantime, here are some things we're doing to bring about clean, transparent government, where everyone has an equal voice:

--Pressing for full disclosure of the donors who fund these phony issue ad groups, as they have in Montana.

--Pressing for nonpartisan drawing of legislative district maps, as they have in Iowa.

--Filing complaints against groups and individuals that appear to be violating campaign laws (see next page).

--Supporting "small donor empowerment," whereby the government would multiply your gift to your favorite candidate by a factor of five or six, as they do in New York City.

--Supporting the exciting movement to amend the U.S. Constitution to proclaim that corporations aren't persons and money isn't speech. Already in Wisconsin, 78 communities have gone on record to vote, by lopsided margins, in favor of such an amendment. It's on the ballot on Nov. 8 in 19 more Wisconsin communities.

That's how we move Wisconsin – and this country – forward!

Best,



## Our Complaint Against Wis. Club for Growth

On Tuesday, Sept. 20, the Wisconsin Democracy Campaign filed a formal complaint with the IRS against Wisconsin Club for Growth.

You see, Wisconsin Club for Growth is registered with the IRS as a (501)(c)(4) “social welfare” organization.

According to an Aug. 9, 2016, notice by the IRS, “The promotion of social welfare does not include direct or indirect participation or intervention in political campaigns on behalf of or in opposition to any candidate for public office. However, a section 501(c)(4) social welfare organization may engage in some political activities, so long as that is not its primary activity.”

But, as was made clear in the blockbuster article in the *Guardian* newspaper, “Because Scott Walker Asked,” the “primary activity” of Wisconsin Club for Growth in 2011 and 2012 was to engage in electioneering.

Walker ran around the country hustling millionaires and billionaires to write big checks out to Wisconsin Club for Growth. Walker’s campaign strategist, R. J. Johnson, was simultaneously running Wisconsin Club for Growth. Walker and Johnson turned Wisconsin Club for Growth into a funnel for huge, secret donations that they then used to finance ads to help keep Walker in office, Justice David Prosser on the Wisconsin Supreme Court, and Republican state senators in the majority.

This was not only a scheme to circumvent the Wisconsin campaign finance law that was on the books at the time; it was also a scheme that ran afoul of IRS regulations.

## Our Complaint Against Rep. Knudson

On Sept. 1, we filed an ethics complaint against Rep. Dean Knudson (R-Hudson) with the Wisconsin Ethics Commission.

Knudson has set up his own express advocacy PAC, the “Wisconsin Liberty Fund,” even though he is still in office. We believe this is patently against the law. And it sets a terrible precedent, which would invite even more corruption in our state.

Knudson is not running for reelection, so you might say, “Big deal.”

But it is a big deal because if Knudson is allowed to do this, other legislators down the road,

who actually are running for reelection, will set up their own PACs or issue advocacy groups and funnel their biggest donors into these groups, thus evading the limits on campaign contributions.

State Sen. Jon Erpenbach (D-Middleton) raised such a sleazy prospect during the floor debate on the campaign finance law on the night of Nov. 6, 2015.

Said Erpenbach: “Each one of us could have our own separate campaign which we could control and which we could raise unlimited amounts of money. Who needs Scott

Jensen? Who needs a middleman? You really don’t. You can do it on your own. . . . Each one of us can have our own Friends for a Sunny Day, We Love Cheese, How ’Bout Them Packers.”

Majority Leader Scott Fitzgerald responded: “You can’t coordinate with yourself. There’s still the bright line. . . . You cannot set up a separate committee and then say I’m going to raise money into that pot as well because you’re coordinating with yourself. That is prohibited by this bill.”

The Ethics Commission should make Knudson disband his PAC until he is out of office. If it doesn’t, it will only compound the bad joke that the new campaign finance law is playing on our democracy.

Form <b>13909</b> (August 2007)		Department of the Treasury — Internal Revenue Service
Tax-Exempt Organization Complaint (Referral) Form		
1. NAME OF REFERRED ORGANIZATION: Wisconsin Club for Growth		
Street Address: 1223 W. Main St., #304		
City/State/Zip Code: Sun Prairie, WI 53590		
Date of Referral: Sept. 20, 2016		
2. ORGANIZATION'S EMPLOYER IDENTIFICATION NUMBER (EIN): 452318439		
3. NATURE OF VIOLATION:		
<input type="checkbox"/> Directors/officers/persons are using income/assets for personal gain		
<input type="checkbox"/> Organization is engaged in commercial, for-profit business activities		
<input type="checkbox"/> Income/assets are being used to support illegal or terrorist activities		
<input checked="" type="checkbox"/> Organization is involved in a political campaign		
<input type="checkbox"/> Organization is engaged in excessive lobbying activities		
<input type="checkbox"/> Organization refused to disclose or provide a copy of Form 990		
<input type="checkbox"/> Organization failed to report employment, income, or excise tax liability properly		
<input type="checkbox"/> Organization failed to file required federal tax returns and forms		
<input checked="" type="checkbox"/> Organization engaged in deceptive or improper fundraising practices		
<input checked="" type="checkbox"/> Other (describe): This organization engaged in political campaign activities as its primary activity in 2011 and 2012.		
4. DETAILS OF VIOLATION:		
Name(s) of Person(s) Involved: R.J. Johnson, Scott Walker		
Organizational Title(s): Johnson was the de facto head of Wisconsin Club for Growth. Walker is the governor of Wisconsin.		
Date(s): 2011-2012		
Dollar Amount(s) (if known): \$12 million		
Description of activities: See attached.		

## Special Interest Follies

### WMC Gets High Return

The biggest winner in the 2015-16 legislative session was Wisconsin Manufacturers & Commerce (WMC).

Seventeen partisan bills backed by WMC were approved by the GOP-controlled legislature and Republican Gov. Scott Walker.

Among the WMC-backed legislative proposals that the legislature and Walker approved were:

- Right-to-work legislation, which prohibits requiring workers to make payments to unions as a condition of employment;
- Sweeping changes to state campaign finance laws that allow corporate contributions to parties, reduce disclosure about wealthy donors and double contribution limits to state candidates;
- Elimination of the bipartisan Government Accountability Board (GAB), which was replaced in July by two partisan Ethics and Elections commissions to oversee state campaign finance, ethics and election laws;
- Overhauling the state civil service system to politicize the hiring and firing process for thousands of state workers.

WMC spent about \$1 million on lobbying state policy and spending bills between January 2015 and June 2016, and it spent an estimated \$16.8 million since January 2010 on Republican and



conservative candidates for legislative and statewide offices.

### Realtors Also Cashed In

The Wisconsin Realtors Association also made out like bandits. Nine partisan bills that it backed were approved by the legislature and Walker. Among the proposals approved by the legislature and the governor that the realtors group supported were ones that:

- Provided more than \$250 million in state and local bonding and other support to help the Milwaukee Bucks build a new arena;
- Reduced state lead painting inspection and testing requirements;
- Loosened standards for placing structures along the shores of lakes and rivers, and banned counties from using zoning ordinances to regulate or restrict shoreline construction projects, like boathouses and fishing rafts;
- Limited the ability of communities to require rental unit inspections, license landlords, charge inspection fees, and enforce sprinkling ordinances stricter than state law. The law also makes it easier and faster for landlords to evict tenants and dispose of personal property that is left behind.

The Wisconsin Realtors Association spent \$630,175 on lobbying between January 2015 and June 2016. It also spent an estimated \$870,000 on outside electioneering activities to support Walker, conservative Supreme Court Chief Justice Patience Roggensack and GOP legislative candidates from 2012 through 2014.

Between January 2010 and December 2015, the real estate industry was a generous contributor to current legislators and the governor. Individual and political action committee contributions from realtors totaled more than \$2.4 million to Walker, and more than an \$1 million to current legislators, including nearly \$870,000 to GOP lawmakers.

### Visit WDC's Campaign 2016 —

**View campaign finance activity for candidates on the November ballot**

**<http://www.wisdc.org/pro16profiles.php>**

This page on our website includes financial summary information for each candidate along with contributor lists. Information about campaign finance activity by non-candidates (political action committees and outside organizations) are linked on this page as well.

## Come to Our Post-Election Party

On Nov. 10 in downtown Madison, we're throwing a post-election party. And you're invited! Congressman Mark Pocan and Dale Schultz, former Republican State Senate Majority Leader, will join Matt Rothschild to discuss the outcomes – and the possibilities ahead.

It's from 5:00 p.m. - 7:00 p.m. at Marigold Kitchen, 118 S. Pinckney St. Delicious food, beer, and wine provided. Minimum \$100 donation per person. Limited seating available, so please respond right away. Call us at (608) 255-4260 or email Beverly at [speer@wisdc.org](mailto:speer@wisdc.org).



## Support Our Work!

We depend on tax-deductible gifts from people like you so we can keep tracking the money that is distorting our politics and keep championing urgent reforms so that everyone's voice is heard and everyone's vote is counted.

Please send us a gift today. It's easy: Just go to our website at [wisdc.org](http://wisdc.org), or you can mail it in the old-fashioned way at 203 S. Paterson St, Suite 100, Madison WI 53703.

Thanks!



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