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Out of Politics!

December 2003

Edition No. 35

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

## Campaign cash drives fall legislative agenda

*'Jobs' bill authored by special interest lobbyists*

A business deregulation bill written by industry lobbyists is the subject of intense negotiations aimed at producing an agreement that can be enacted later this month or in January.

Special interests behind the bill – dubbed the “Job Creation Act” by supporters – have contributed \$7.2 million to members of the Legislature since 1993. Over \$293,000 of that went to Assembly Speaker John Gard and Senate Majority Leader Mary Panzer, who let business interests write the measure.

A senior bill drafter in the Legislature told one newspaper it is now common practice in the Legislature for special interest lobbyists to write legislation.

Among its many provisions, the 114-page deregulation package allows streams to be diverted and lakebeds to be dredged without public comment or regulatory oversight.

The bill was among a collection of items coveted by wealthy campaign contributors that dominated the Legislature’s fall agenda. Others included legislation legalizing concealed weapons, opposing flag desecration, redefining marriage as a union between a man and woman rather than husband and wife, imposing stiffer penalties for shopping cart theft and gas station driveoffs, providing two new corporate tax breaks, and allowing businesses to self-audit their compliance with environmental laws. No action was taken on campaign



Bosses of the Legislature

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## Huge victory for reform! *U.S Supreme Court upholds campaign finance reform law*

The U.S. Supreme Court ruled December 10 that all of the major features of the federal McCain-Feingold campaign finance reform law – including the law's ban on unlimited "soft money" donations and a provision closing the "issue ad" loophole – are constitutional.

The high court threw out the "magic words" test fashioned in 1976 allowing special interest groups and political parties to skirt disclosure laws and other campaign finance regulations merely by avoiding the use of words like "vote for" or "vote against" in their campaign ads.

By ruling that phony issue ads can be regulated and unlimited soft money donations from corporate and union treasuries are prohibited, the court not only improved the federal campaign finance system but also opened the door to reform at the state level.

State legislative leaders have stated publicly on countless occasions that they could not act on state-level reforms like the WDC-backed Ellis-Erpenbach bill because it is unconstitutional. (Ellis-Erpenbach contains language on issue ad disclosure that is identical to McCain-Feingold.) The court made clear in its ruling that the leaders who stonewall reform were wrong and took away a prime excuse used by state lawmakers to delay action on reform of Wisconsin's broken campaign finance system.

Senate Majority Leader Mary Panzer promised early in the year to bring Senate Bill 12 to the floor of the Senate for debate, but in more recent months has insisted that the Senate should not act until after the Supreme Court ruled on the McCain-Feingold law.

### **Action Alert – Contact Senator Panzer**

Contact Senate Majority Leader Mary Panzer and urge her to keep her promise to allow a vote on Senate Bill 12 – the Ellis-Erpenbach campaign finance reform bill.

Phone: (608) 266-7513 or (800) 662-1227

E-mail: [sen.panzer@legis.state.wi.us](mailto:sen.panzer@legis.state.wi.us)

Mail: **State Capitol  
P.O. Box 7882  
Madison 53707-7882**

## Elections Board does it again

The see-no-evil state Elections Board dismissed complaints and over 200 pages of accompanying evidence filed by the Wisconsin Democracy Campaign that Governor Jim Doyle and Assembly Speaker John Gard repeatedly violated state campaign disclosure laws by failing to reveal the occupations and employers of hundreds of big donors.

Both Gard and Doyle acknowledged failing to report the legally required information, but the Elections Board nevertheless declined to take enforcement action. The board ruled that Gard and Doyle tried in good faith to get the information, despite the fact that while the two veteran politicians neglected to disclose the donors' employment information for well over a year in many cases, they were able to obtain and report the missing information in a matter of days after the complaints were filed.

Doyle and Gard could have been fined a combined total of \$123,000 for the violations cited in the complaints.

This latest demonstration of unwillingness to enforce Wisconsin's campaign finance laws underscores the need for reform of the board's flawed structure. WDC supports legislation awaiting a vote in the Senate – Senate Bill 11 — that would combine the Elections Board and Ethics Board under the direction of a new, politically independent board with expanded enforcement authority.

## News Briefs

### **Senator indicted on kickback charges**

Ousted state Senator Gary George, a Milwaukee Democrat, was indicted in November by a federal grand jury on charges he defrauded the state and conspired with his attorney to get illegal kickbacks. He is the fifth current or former legislator to be charged with felonies – *a new state record*.

### **Governor meets with Ellis on reform**

After refusing for months to meet with legislative leaders to negotiate on campaign reform legislation, Governor Jim Doyle finally met earlier this month with Senator Mike Ellis, author of the leading campaign reform bill, WDC-backed Senate Bill 12. No significant breakthroughs were reported.

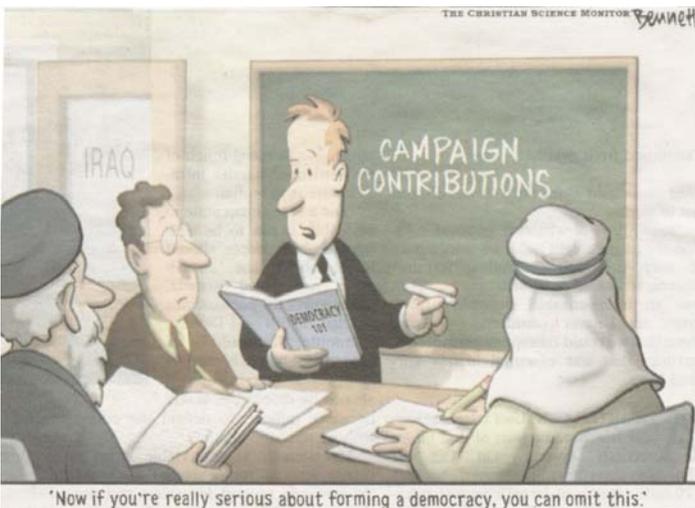
## EdVest conflicts of interest overlooked by state regulators

State Ethics Board and Elections Board officials were asleep at the switch as Strong Capital Management and top state officials put together a sweetheart deal that gave the mutual fund company exclusive control over the state's EdVest college savings program.

Richard Strong and his wife, Donna Strong, were heavy contributors to former Governor Tommy Thompson's campaign as the Thompson administration oversaw the deal. In fact, the Strongs gave so generously they broke the law. In 1998, the Strongs both exceeded the legal limit on campaign contributions by more than 50%. They each could have been fined as much as \$15,650 or even faced up to six months in jail if the Elections Board had charged them. Instead, the Strongs each paid a \$605 forfeiture in a settlement with the board.

Strong lobbyists were allowed to play a key role in drafting the legislation that gave the company the exclusive EdVest contract. The favoritism shown Strong during bill drafting and the fact that two state lawmakers with close personal, political and financial ties to Strong serve on the state College Savings Program Board has not been enough to arouse the interest of the state Ethics Board.

The Ethics Board has ruled there is no conflict of interest for Senator Jeff Plale, a former Strong employee whose political career was launched with the help of Strong campaign contributions, and Senator Alberta Darling, another longtime recipient of Strong donations whose husband had \$578,000 in a Strong money market account while the legislation benefiting Strong was being drafted.



## He said it . . . no, really he did

State Representative Steve Freese, a Republican from Dodgeville who controls the fate of campaign finance reform in the Assembly as chair of the campaigns and elections committee, has not so much as held a public hearing let alone a vote this session on campaign reform. He told a newspaper reporter that every time he thinks about getting around to it "*we'd have the Democracy Campaign do something stupid – like writing letters to the editor.*" He told the reporter such actions were "*extreme tactics.*"

If Freese feels that way about letters to the editor from citizens, you can imagine how he feels about WisconsinEye, a state version of C-SPAN that proposes to mount television cameras throughout the Capitol so it can provide gavel-to-gavel coverage of the Legislature.

Freese wants strict control over WisconsinEye's operations, including broadcast kill switches in the hands of leaders who run committee meetings or floor sessions.

*"If there isn't a willingness to do that, there will be problems working this out,"* said Freese, who as Speaker Pro Tem acts as the Assembly's presiding officer.

An early October floor session helps explain why Freese wants kill switches. If WisconsinEye's cameras had been rolling, viewers could have seen Freese gavel down members – and even cut off the microphone of one – who dared to try pointing out that bill sponsors received big campaign contributions from special interests who stand to benefit from the legislation. They could have watched as Freese compared the Assembly to his children and said, "*I tell my kids, the law is the law and daddy is the law.*"

## And all this time we were told the people were sovereign....

Apparently Senate GOP Leader Mary Panzer is a little foggy on what her party's greatest president said about government of the people, by the people and for the people. At a late October press conference, Panzer said, "*Part of what needs to be done is to change the mindset of the bureaucrats in this state. They work for the businesses.*"

## Deeply divided Supreme Court spars over campaign reform law

The majority and dissenting opinions of U.S. Supreme Court justices reveal sharp differences of opinion on campaign finance reform.

The majority opinion, written by Justices Stevens and O'Connor, with Justices Souter, Ginsburg and Breyer concurring, says:

“The prevention of corruption or its appearance constitutes a sufficiently important interest to justify political contribution limits.” And it says: “The idea that large contributions...can corrupt or, at the very least, create the appearance of corruption...is neither novel nor implausible.” The majority also wrote that the court’s 1976 “magic words” test that has allowed issue ad groups to evade campaign finance disclosure laws is “functionally meaningless.”

Dissenting opinions reflected a profoundly different view. Justice Kennedy wrote: “There is no basis, in law or in fact, to say favoritism or influence in general is the same as corrupt favoritism or influence in particular. By equating vague and generic claims of favoritism or influence with actual or apparent corruption, the Court adopts a definition of corruption that dismantles First Amendment rules....”

Justice Scalia wrote: “This is a sad day for the freedom of speech. Who could have imagined that the same court which, within the past four years, has sternly disapproved of restriction upon such inconsequential forms of expression as virtual child pornography, tobacco advertising, dissemination of illegally intercepted communications, and sexually explicit cable programming, would smile with favor upon a law that cuts to the heart of what the First Amendment is meant to protect....”



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