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Make People Matter



More Than Money!

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Spending in governor recall hits \$81 million *Over \$137 million spent in 15 recalls since last year*

The recall election for governor ended up being more than twice as costly as the most expensive state election previously seen in Wisconsin, and Governor Scott Walker more than tripled the records for campaign fundraising and spending in a statewide race that he set in 2010, according to a Democracy Campaign analysis issued July 25.

In the 15 recall elections in 2011 and 2012, the Democracy Campaign accounted for a combined \$137.5 million in spending, with Republicans outspending Democrats by nearly \$32 million. In the governor's race where Walker defeated Milwaukee Mayor Tom Barrett, Republican forces spent roughly two and a half times as much as Democratic candidates and interest groups.

The \$36.1 million Walker spent dwarfed the then-record \$11.1 million he sunk into his 2010 campaign for governor. Nearly \$22 million or 64 percent of the money Walker raised from individual contributors came from outside Wisconsin. The out-of-state donors included wealthy banking, manufacturing, construction and real estate executives and other special interests from Florida, Texas, New York, Missouri, Nevada, Wyoming and New Jersey, among other states.

WDC's review found that 37 individuals, including 26 from outside Wisconsin, each gave the governor between \$50,000 and \$510,000 for a total of more than \$4.7 million.

Walker and his Republican backers outspent all of the Democratic candidates, groups and committees \$59 million to \$22 million in the governor's race. The \$81 million in total spending shattered the previous record of \$37.4 million set in the 2010 election for governor.

For all of the recall elections – which included nine senate recalls in 2011 and recalls of the governor, lieutenant governor and four senators in 2012 – Republican candidates, groups and committees outspent their Democratic counterparts \$84.5 million to \$52.6 million. Candidates for the 15 offices spent \$56.4 million, with Republicans spending \$42.9 million and Democrats spending \$13.1 million led by Barrett's \$6.6 million. Outside special interest groups spent \$75.8 million in the 15 recall races, including \$39.8 million by groups backing Republicans and \$36 million by organizations supporting Democrats.

Nearly half of the outside group spending – an estimated \$36.6 million – was done in the governor's race alone where groups aiding Walker spent about \$22.6 million while groups supporting Barrett and fellow Democrat Kathleen Falk who lost to Barrett in the primary spent \$14 million.

Flaws in disclosure laws exposed

Glaring deficiencies in Wisconsin's campaign finance disclosure laws were laid bare by historic recall elections as millions of dollars spent influencing their outcomes could not be traced to their origins, leaving voters clueless about who paid for a substantial amount of the campaign advertising.

"Concealed is the full truth about how a tiny number of extremely affluent donors paid for most of the recall election campaigning, just as they are paying for most of the politicking in this year's presidential race," WDC director Mike McCabe said.

In a commentary condemning the recent filibuster in the U.S. Senate blocking passage of the federal DISCLOSE Act, journalist Bill Moyers noted that many politicians who used to support disclosure now are openly fighting against it. Moyers offered an explanation for their newfound insistence on secrecy: "The majority of Americans — citizens of a country born in what one historian calls 'the age of democratic revolutions' — would never choose to be governed by the few at the expense of the many. Politicians required to play by the rules, to openly confess that their loyalty has been purchased and

If a chapter 11 for politicians existed, current displays of hypocrisy over disclosure of money in politics would amount to filing for moral bankruptcy.

forced to identify the highest bidders, could not possibly survive the scrutiny. So they must bend the rules to conceal their transactions. In doing in democracy, their safety is in secrecy, and we must be kept in the dark."

The Democracy Campaign was one of 38 civic and investor groups that signed a letter sent to members of the House in April and to members of the Senate in May supporting the DISCLOSE Act.

"Today's opponents of disclosure once vigorously championed it. They argued there was no need for limits, only disclosure. Let the money flow, they said, but disclose everything," McCabe said. "Now that the money is flowing more freely than ever, they don't want disclosure either. If there were a chapter 11 for politicians, this would amount to filing for moral bankruptcy."

Groups urge hearings on reform

The Democracy Campaign joined with 19 other citizen groups in signing a letter that was delivered to legislative leaders on July 20 calling on them to hold public hearings this summer to give the public an opportunity to offer feedback on ways to create more transparency and accountability in Wisconsin elections.

The letter urged Senate and Assembly leaders to schedule the hearings in the wake of recall elections in 2011 and 2012 to set the stage for a special legislative session later this year to reform various aspects of the state's election system.

The groups called for action on five reforms:

- New disclosure laws ensuring that the public can see where every single penny spent on state elections comes from.
- Legislation closing the loophole in Wisconsin law allowing public officials targeted for recall to engage in unlimited campaign fundraising.
- A new state law requiring corporations to notify and get permission from shareholders in order to use their money for election spending.
- Creation of an online public record of advertising time purchased for electioneering purposes from media outlets.
- Establishment of an independent, nonpartisan redistricting authority to draw new legislative and congressional boundaries after each census.

You can add your voice to ours by calling the toll-free Legislative Hotline at **800-362-9472** (266-9960 in Madison) to tell your legislators that Wisconsin needs more transparency and accountability in state elections and that the public deserves hearings and then a special session on the subject.

Public's right to know wins out

The Democracy Campaign and nearly two dozen national groups sent a joint letter to a key congressional committee in mid-June urging members to drop an amendment to a spending bill blocking a new Federal Communications Commission rule requiring broadcasters to post political ad buyers online. On June 20 the House Appropriations Committee reversed its position and voted unanimously to remove the amendment and allow the FCC's disclosure rule to stand.

From the Big Money Blog

Better uses for \$81 million

Ponder for just a moment that candidates, interest groups and political committees spent \$81 million on the recall election for governor, and three words immediately come to most minds: *What a waste.*

There are so many better uses for such huge sums of money. Think what the Brewers could do with \$81 million. They could have a bullpen.

Or that \$81 million could go for something important. It could fund the Wisconsin Economic Development Corporation's entire budget for a year. That's the agency formerly known as the state Commerce Department that is responsible for promoting job creation. Think about that. As much money was just spent on smear campaigns as Wisconsin spends in a year promoting job growth.

The money special interests poured into the recall would cover the budget for the state's Environmental Improvement Fund for nearly two full years. This is the program that helps local communities provide

As much money was just spent on smear campaigns in the recall election for governor as Wisconsin spends in a year promoting job growth.

safe drinking water and protect public health by funding improvements to wastewater treatment facilities, storm water runoff projects, as well as helping municipalities build, upgrade or replace public water systems.

All the money spent on the governor's race could provide more than 25 years worth of funding for the agency that provides services to victims of child abuse and neglect and finances prevention efforts. Or it could fund the agency charged with assisting people with developmental disabilities for 60 years.

For anyone whose life does not revolve around the pursuit of political power, it is impossible to contemplate \$81 million being spent on a state election in Wisconsin without thinking about how much good that kind of money could do if spent for some productive purpose.

— Mike McCabe

WDC outs Walker's use of legal defense fund to pay PR firm

In mid-July the Democracy Campaign discovered a document filed with the Internal Revenue Service showing that nearly \$10,000 transferred from Governor Scott Walker's campaign committee to his legal defense fund was used to pay one of the nation's largest PR firms for "public relations" services.

WDC made the discovery public because the payment for PR help was not in keeping with repeated claims by the governor and his aides that the criminal defense fund was needed to pay lawyers to help the governor cooperate with prosecutors conducting a secret probe that already has resulted in charges against several of Walker's former aides and close associates. The governor has steadfastly refused to say which of his campaign donors have agreed to allow him to transfer their contributions to the legal defense fund.

State law allows public officials to set up criminal defense funds only if they themselves or agents of theirs are under investigation or have been charged with or convicted of a crime. Walker has repeatedly denied that he is a target of the investigation.

The Walker campaign issued a statement claiming the May 15 payment to the PR firm, APCO Worldwide, was for "assistance on legal and media issues."

Feeling like a million bucks

After receiving an E-Lert about the Democracy Campaign's work uncovering all the recall election spending, loyal supporter Mary Kienitz sent back a note that concluded with this comment:

"Wish I had an extra million dollars to send your way! We can never have too many truth seekers, especially in the political realm."

Here at WDC, we don't run in circles where someone might have an extra million dollars lying around. But if you have an extra \$25 or \$50 you could send our way, it sure would come in handy.

Big lie behind voter ID admitted

Attorneys defending Pennsylvania's voter ID law made an awkward confession as they prepared for trial in late July, conceding that they have no evidence of the kind of voter fraud that laws requiring voters to show government-issued photo identification are designed to remedy. The lawyers could produce no evidence of identity fraud in voting done in Pennsylvania or in any other state.

The Democracy Campaign has pointed out on numerous occasions that Wisconsin has not seen a single case of in-person identity fraud, the only kind the state's new voter ID law could possibly prevent. That fact is among the reasons WDC intervened in court in support of the legal challenges to the law. Another reason is the substantial financial burden the law places on certain citizens who are eligible to vote, a burden akin to earlier forms of poll taxation.

New York University Law School's Brennan Center for Justice issued a report last month detailing the significant barriers to obtaining the kind of ID now needed to vote in many states, including Wisconsin. Among the problems identified in the study is that "many ID-issuing offices maintain limited business hours. For example, the office in Sauk City, Wisconsin is open only on the fifth Wednesday of any month. But only four months in 2012 — February, May, August and October — have five Wednesdays."

The report goes on to note that "voters may be particularly affected by the significant costs of the documentation required to obtain a photo ID. Birth certificates can cost between \$8 and \$25. Marriage licenses, required for married women whose birth certificates include a maiden name, can cost between \$8 and \$20. By comparison, the notorious poll tax — outlawed during the civil rights era — cost \$10.64 in current dollars."



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