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35 groups rally to put 'r' back in 'free speech'

On the day the U.S. Supreme Court heard oral arguments on *McCutcheon v. FEC*, a case that could result in the invalidation of a key federal law limiting campaign contributions, the Democracy Campaign and allied groups that make up the Money Out, Voters In coalition demanded actions to rein in big money in political campaigns at an October 8 rally at the State Capitol.

Representatives of WDC and 34 other citizen groups called on the Legislature to approve Assembly Joint Resolution 50 authorizing a statewide referendum in November 2014 on whether the U.S. Constitution should be amended to effectively overturn the notorious Citizens United ruling and related decisions that intensified the influence of money in politics and diminished the voices of ordinary citizens.

Citizens United allowed special interest groups to spend unlimited amounts of money to influence elections. The *McCutcheon* case focuses on the constitutionality of the federal aggregate limit on contributions from individuals to candidates, parties and political action committees in a two-year election cycle.

Wisconsin Public Interest Research Group's director and WDC board vice president Bruce Speight was a key organizer of the Capitol rally and emceed the event,



Retired insurance executive and WDC board member Dave Pauly makes a persuasive case at the Oct. 8 rally at the Capitol why big money in politics is bad for business.

delivering opening remarks and introducing the other speakers. Among those who spoke were Democracy Campaign director Mike McCabe as well as business leader and WDC board member Dave Pauly.

After the rally, the coalition delivered a letter to Assembly Government Relations and State Licensing Committee chair Tyler August of Lake Geneva calling for a hearing on AJR 50.

McCutcheon v. FEC

Favoring money over the many

On October 8 the U.S. Supreme Court took up *McCutcheon v. FEC*, a case that could end up exploding on the terrain of American democracy with a force every bit as devastating as the bomb the court dropped with its infamous 2010 ruling in *Citizens United v. FEC*.

Citizens United cleared the way for unlimited election spending by special interest groups. That decision hit like a ton of bricks. In Wisconsin, election spending tripled after the ruling.

McCutcheon could do for mega-donors to candidates and parties what *Citizens United* did for interest groups sponsoring their own election advertising.



Wealthy businessman Shaun McCutcheon (pictured with Wisconsin Governor Scott Walker at an Alabama fundraiser) wants the Supreme Court to invalidate a key federal

limit on political contributions.

Here's a guide to understanding the *McCutcheon* case by the numbers:

\$123,200: The current federal aggregate limit on what an individual can give to candidates, parties and political action committees in an election cycle that McCutcheon wants removed.

1,219: The number of Americans who reached the federal limit in the 2012 elections.

4 out of every 1,000,000: The proportion of the U.S. population giving the maximum amount allowed under the federal aggregate limit.

1 out of every 6: The proportion of American billionaires who gave the maximum amount.

0.000003: The percentage of Americans who will have even greater ability to influence elections and more political power if the Supreme Court sides with McCutcheon.

"What's at stake is whether we have free speech or fee speech, and whether we have a system of elected representation dependent on and responsive to the people or a system where money dominates," Democracy Campaign director Mike McCabe said.

WDC honored at award ceremony

Democracy Campaign director Mike McCabe received the Liesl Blockstein Community Leadership Award from Community Shares of Wisconsin at CSW's annual awards banquet on October 1. WDC intern Lara Carlson also was honored for being named a "Backyard Hero" for her volunteer work at WDC in the past year. Lara is attending the University of Wisconsin Law School.

At the time of her death in 1986, Liesl Blockstein was a local elected official in Dane County, social worker and community activist. She was

a tireless champion for women, the elderly, the disabled and the poor. Blockstein was one of the founders of the Wisconsin Women's Network.

Community Shares of Wisconsin is a social action fund that helps raise money for nonprofit groups through workplace giving programs and other fundraising efforts. At participating workplaces, employees can give to CSW and its member agencies through automatic payroll contributions, check or credit card. Donations also can be made directly by using CSW's secure website.



Mike McCabe with WDC intern and "Backyard Hero" honoree Lara Carlson.

To start a workplace giving campaign or learn about other ways to give – including planned giving – you can contact Community Shares by calling **608-256-1066** or visiting its website (communityshares.com) where you can see a listing of the member nonprofits, including the Democracy Campaign, that benefit from CSW's efforts.



WDC board president Brynne McBride with Mike McCabe at Oct. 1 award ceremony.

WDC testimony: Don't blind public, hinder law enforcement

At an October 3 public hearing held by the Senate Elections and Urban Affairs Committee, Democracy Campaign director Mike McCabe testified against legislation proposed by the Senate Assistant Majority Leader Glenn Grothman of West Bend on the grounds that it “does violence” to the public’s right to know by “radically limiting campaign finance transparency.”

McCabe testified that Senate Bill 282 would “blind the public to the financial interests of most campaign donors.” Current law requires the disclosure of both the occupation and employer of any donor giving more than \$100. SB 282 requires disclosure of only the occupation of donors giving over \$500.

Since 1996, the Democracy Campaign has enabled the public to follow the money in Wisconsin politics by managing a searchable online donor database. There are 862,064 contributions from individuals in that database. Of those donations, 825,827 or 96% are \$500 or less. Contributions of more than \$500

If Grothman's anti-disclosure bill had been law when WDC launched its online donor database in 1996, the money-tracking tool would be 96% smaller than it is today.

total 36,237. If SB 282 had been state law when WDC launched its money-tracking system, the database would be 96% smaller and would show only the occupation but not the employer of each of the donors who made those 36,237 contributions.

WDC's testimony also emphasized that SB 282 would “hinder law enforcement and make criminal activity easier.” In recent years two wealthy campaign contributors – Wisconsin & Southern Railroad executive William Gardner and Kenosha businessman Dennis Troha – were convicted of money laundering. In both instances, the Democracy Campaign was contacted by law enforcement officials who asked for assistance in identifying employees of their companies who made campaign donations. Under SB 282, such investigations would be next to impossible because donors' employers would no longer be disclosed.

10 grand a pop and then some

Seventy-eight individuals and couples mostly from outside Wisconsin contributed nearly \$1 million to legislative and statewide officeholders and candidates during the first six months of 2013, the Democracy Campaign found.

The top recipient was Republican Governor Scott Walker who received \$831,573 or 85% of their contributions.

Fifty-two of the 78 individuals or couples were from outside Wisconsin and their contributions to Walker and the others totaled \$650,322 or 66% of the contributions. The most out-of-state contributions came from Texas at \$195,073 followed by Illinois at \$106,000, Missouri at \$60,000; Florida at \$50,000; and New York at \$40,000.

WDC also found 14 contributors who have already exceeded the \$10,000 annual limit on contributions they can make to all candidates. Campaign finance reports filed by the candidates show these contributors each made total contributions ranging from \$10,100 to \$18,250 during the first six months of 2013. The Democracy Campaign has asked the state Government Accountability Board, which enforces the state's lobbying, elections and campaign finance laws, to investigate these contributions.

The full report is available on WDC's website at www.wisdc.org/pr091913.php.

Check bundling on the rise

Contributions funneled to legislators through check-bundling outfits that hide the real clout of special interest campaign contributions from the public have jumped 300% in the last 20 years and hit a record \$3.7 million in 2011 and 2012, a Democracy Campaign report revealed.

Unlike donations by political action committees (PACs), whose size are limited by law, conduits can give as much as they want. And it is clear what group is making a PAC contribution. Conduits, on the other hand, collect money from their backers, pool the funds, and then make a large contribution to a candidate. The candidate's campaign does not report the sizeable gift from the interest group's committee, but rather reports the money as a collection of separate donations from individuals. The group that actually wrote the check is masked and the money is effectively laundered.

Become a sustainer

The Democracy Campaign was founded in 1995 and the following year launched our trademark searchable online database of contributors to Wisconsin election campaigns with the help of a grant from the Joyce Foundation. In our early years, we were almost entirely dependent on grants from charitable foundations for our funding. Today, gifts from individuals are the single biggest source of funding for the Democracy Campaign.

There's a reason this shift has occurred.

When we learned over the holidays that we were losing Joyce Foundation funding that we had been receiving for 16 years, one door was closing. But another opened. Gifts from individuals increased by *more than 60%*. And the number of individuals who support the Democracy Campaign by making automatic monthly or quarterly gifts has *tripled* since January.

We call this list of sustainers who have signed up to tonate

provide us with a steady and reliable flow of income our "Democracy Defenders." You can join their ranks by calling us at **608-255-4260** or emailing **wisdc@wisdc.org** to arrange to have automatic payments charged to your credit card either monthly or quarterly.

Or you can sign up by using the online donation form on our website at **www.wisdc.org/donate**. On the form, choose a donation amount. Under "donation type" switch from the default option of "one-time donation" to "recurring donation." Then use the drop-down menu to designate whether you want to make your automatic, tax-deductible credit card donation each month or every three months. It's as easy as that. And it's a great way to provide the Democracy Campaign an ongoing flow of funding that we can count on.

We need your support. Following the money ain't cheap. Speaking truth to power and working for reform aren't free either. We need the sustained support of a



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