

FROM THE DIRECTOR

Some things never change . . .

"Change" was easily the most overused word in America this year. Our country is hungry for it, and the nation's politicians were eager to feed.

We're told change is coming. We'll see soon enough. Lord knows we need it.

This year's elections made history, as did the events that preceded them – from the credit crunch and the collapse of the housing market to the meltdown on Wall Street and the pain the financial crisis inflicted on side streets and back roads all over the country. Something's got to give. A lot has to change.

. . . until they do, that is.

You can feel it starting to happen . . . in big ways and in smaller, more subtle ways. Change doesn't come easily and it doesn't come all at once. The landscape isn't altered overnight. But in the last year, we struck a blow for election integrity when our three-year-long fight against the state's outsourcing of voter registration ended with the cancellation of the Accenture contract. And we chalked one up for judicial accountability when we triggered an investigation that led to Annette Ziegler becoming the first state Supreme Court justice in history to be found guilty of ethical misconduct and disciplined for violating the judicial code of conduct.

Then just in recent days, we won an even bigger victory when the state Government Accountability Board approved new rules supported by the Democracy Campaign requiring shadowy special interest groups to disclose where they get and how

they spend all the money that pays for attack ads that smear candidates and disfigure our elections. Not only does this pull back the curtain and let the public see who's pulling the levers, it restores meaning to one of the greatest political reforms in Wisconsin history – the ban on corporate campaign donations that Fighting Bob La Follette and his allies enacted in 1906.

This is a big deal. A who's who of rich and powerful interests will keep fighting it every way they know how. The road to this reform is going to be a long and bumpy one. As is always the case.

Thanks for standing with us in one battle after another. Your support means the world to us. We couldn't do what we do without you, and wouldn't even try.

A handwritten signature in black ink, appearing to read "Mike McCabe". The signature is fluid and cursive, with a large initial "M" and a stylized "C" at the end.

Mike McCabe



2007-2008 ACTIVITY REPORT

A big win for reform!

The state Government Accountability Board voted unanimously November 11 to approve new rules supported by the Democracy Campaign requiring full disclosure of election campaigning by special interest groups and applying existing campaign contribution limits in state law to so-called “issue ad” campaigns. This means the public would no longer be kept in the dark about who pays for much of the election advertising in state races, and groups could no longer use corporate funds to finance their electioneering.

The new rules won't take effect right away. There first is a public comment period, followed by legislative review. Prospects

for legislative approval are good, with the majority of the new Legislature already on record in favor of issue ad disclosure. Assuming these hurdles are cleared, the rules will likely be tested in court as opponents of disclosure will almost certainly sue.



Ground gained on other fronts . . .

Protecting the integrity of Wisconsin's voter registration system

The day after Christmas the Democracy Campaign's three-year-long fight against the state's \$14 million contract with the global outsourcing firm Accenture to develop a computerized statewide voter registration system ended with cancellation of the contract. The deal ending the contract with Accenture allowed the state to recoup \$6 million and, even more importantly, gain public control of computer code that had

been a trade secret and Accenture's private property under the original contract and not open to public inspection.

Shortly after the state entered into the contract with Accenture in November 2004, the Democracy Campaign legally challenged the agreement. WDC's lawsuit forced Accenture to make critical concessions relating to ownership of voter data and public access to the system. After the legal action ended, the Democracy Campaign continued to work to hold the state and

Accenture accountable for their failure to meet the January 2006 federal deadline for completing a computerized statewide voter list. After the contract with Accenture was terminated, work on the project was completed and the new system was up and running for this fall's elections.



Promoting judicial ethics and accountability

The ethics complaint filed by the Democracy Campaign in March 2007 against state Supreme Court candidate Annette Ziegler came to a head in late May of this year. WDC's complaint triggered an investigation by the Wisconsin Judicial Commission, which found that Ziegler, now an elected member of the court, engaged in judicial misconduct. Just over a year after WDC's complaint was filed, Ziegler was ultimately found guilty of ethical violations by the state Supreme Court and became the first sitting justice in state history to be disciplined by the high court for judicial misconduct.

On the brink of more reform breakthroughs

Building on the enactment in early 2007 of ethics reform legislation that created the Government Accountability Board, the Democracy Campaign and its partners in Wisconsin's reform community made more progress in the second year of the 2007-

2008 legislative session, with five reform bills passed in the Senate and five more approved by a Senate committee. And there were roll call votes on a number of bills in the Assembly, putting legislators on the record on our issues and holding them more accountable on these issues than they have been for many years.

Along with the ethics enforcement reform bill's passage by both houses and approval by the governor, bills passed by the full Senate include **SB 23** (one-year wait for state officials before lobbying), **SB 77** (issue ad disclosure), **SB 170** (disclosure of judicial conflicts of interest), **SB 171** ("Impartial Justice" bill creating publicly financed Supreme Court elections) and **SB 463**

(special interest electioneering disclosure).

Bills passed by a Senate committee include **SB 12** (Ellis-Erpenbach comprehensive campaign reform), **SB 25** (ban on fundraising during the state budget process), **SB 160** (disclosure of donations from out-of-state committees), **SB 182** (Risser-Pocan Clean Elections bill) and Special Session **SB 1** (comprehensive reform plan combining Ellis-Erpenbach and Impartial Justice bills).

Roll call votes were held on three bills in the Assembly – **AB 61** (banning fundraising during the budget process), **AB 250** (Impartial Justice) and **AB 272** (issue ad disclosure) – putting members of the lower house on the record on these reform proposals. WDC prepared an analysis of roll call votes and bill sponsorships and ranked members of both houses on their support for reform legislation. WDC worked through the 2008 election season to bring the resulting democracy reform scorecard to the attention of citizens, the media and opinion leaders throughout the state.

Two days after the election, the Democracy Campaign announced that more than half of the members of the new Legislature

Jane Elmer, executive director, WREA
and Debby Meyer, outreach director



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have either voted for or publicly committed to support two important campaign reforms – the Impartial Justice bill creating publicly financed state Supreme Court elections and electioneering disclosure that pulls the cloak off phony “issue ad” groups.

Keeping the shoulder to the wheel

The day-in, day-out work of the Democracy Campaign is what makes these breakthroughs possible. Here’s a sampling of what kept us busy in the past year:



Following the Money The Democracy Campaign continued to maintain and expand Wisconsin's only searchable computer database of contributors to state campaigns, which now contains nearly 500,000 records of campaign donations. WDC also played a key role in monitoring fundraising and spending in 2008 state elections including this year's Supreme Court race that cost \$6 million, of which at least \$4.8 million was neither raised nor spent by the candidates but rather by a handful of lobbying organizations and front groups.

Getting the Word Out In the last year, the Democracy Campaign's work generated nearly 300 newspaper and magazine stories and over 160 radio and television stories or program appearances. Over the last 12 months, Democracy Campaign staff members gave over 40 presentations at forums, workshops and group meetings in communities

including Appleton, Baraboo, Cross Plains, Fort Atkinson, Kenosha, Madison, Manitowoc, Middleton, Milwaukee, Monona, Mount Horeb, Oconomowoc, Platteville, Sauk City, Shell Lake, Stevens Point, Verona, Viroqua and Wisconsin Dells.

Building Regional Alliances The Democracy Campaign is a founding member of the Midwest Democracy Network (MDN), a five-state effort to bring together reform advocates from throughout the Great Lakes region to work on common projects and give reformers in the region a stronger collective voice. WDC director Mike McCabe serves on the network's steering committee and contributed to the development of *Democratic Renewal: A Call to Action from America's Heartland* that was published by MDN in January. Mike wrote the book's chapter about Wisconsin. The network has sponsored public opinion polling on reform issues, sent an ethics questionnaire to all the presidential candidates, and developed campaign conduct guidelines for judicial contests and called on more than 700 judges and candidates for seats on state courts in Illinois, Michigan, Minnesota, Ohio and Wisconsin to follow the guidelines.

Tuesday, March 25, 2008

The Capital Times

Outside groups' cash tops court candidates'

By SCOTT BAUER
Associated Press

They spent nearly \$1.5 million in TV ads for campaign

the call for change in how Wisconsin Supreme Court justices are elected continues to grow as money flows into the race from shadowy interest groups.

Justices themselves — Jus-

showed. The massive influx of spending from outside groups, along with the negative tone of many of their ads, has led to renewed calls for change.

that the battle for Wisconsin's highest court has been expensive, partisan and highly divisive.

Last year's race broke records

The election is April 1. The winner will serve a 10-year term on the bench.

Mike McCabe, executive di-



What they're saying . . .

"We probably don't thank the Wisconsin Democracy Campaign enough for the good work it does promoting clean government and clean campaigns in the state. Just this week, the watchdog group released the results of an analysis that shed light on the power of money in politics.... (I)sn't it good to know where our representatives are getting their campaign money? You've got the Wisconsin Democracy Campaign to thank." – *Wausau Daily Herald*, September 20, 2008

"Most citizens probably haven't heard of the Wisconsin Democracy Campaign, but it is a powerful electoral watchdog. To consider its impact, flash back as recently as the mid-1990s, when there was no way to easily check the campaign contributions for state politicians.... The nonprofit Wisconsin Democracy Campaign changed all that, creating the state's first computerized database of contributors to politicians. Years later, legislation was passed to require electronic filings, but to this day, the Wisconsin Democracy Campaign remains *the* source for reporters doing a quick check of donations to politicians. The WDC, in short, made the political system far more transparent while operating as a tough critic of sleazy politics and a proponent of campaign finance reform." – *Milwaukee Magazine*, January 2, 2008

After bitter race, calls for reform

Election's tone hurt high
court's standing, some say

By STEVEN WALTERS,
STACY FORSTER
and PATRICK MARLEY
swalters@journal-sentinel.com

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Milwaukee Journal Sentinel

From page 1

ZIEGLER

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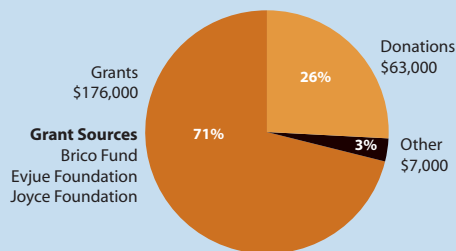
gent, and highly regarded
circuit court judge," the un-
ioned opinion said. "The

Wisconsin Democracy Campaign Financial Statements

July 1, 2007 – June 30, 2008

Combined financials for WDC and WDC Education Project

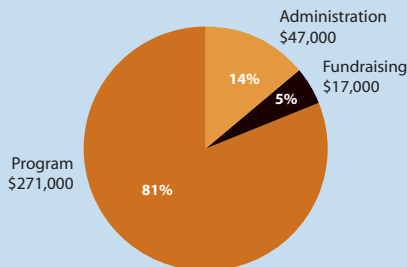
INCOME



Income for Wisconsin Democracy Campaign was \$9,700.

In addition to the grant income shown above, \$177,000 in grant funds from the previous year was available.

EXPENSES

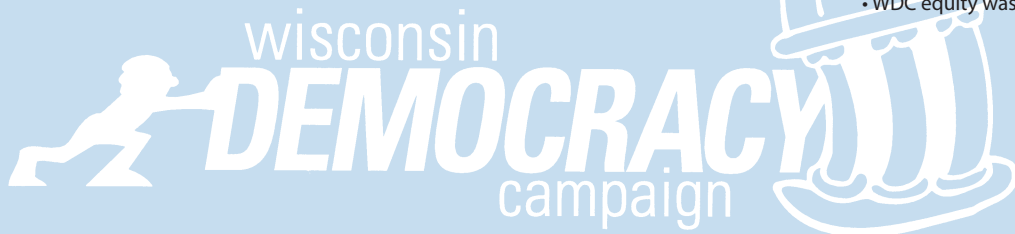


Expenses for Wisconsin Democracy Campaign were \$19,300.

COMBINED STATEMENT OF FINANCIAL POSITION

Assets	Combined
Cash and Cash Equivalents	\$165,500
Other Current Assets	2,800
Office Equipment (Net)	11,500
Total Assets	\$179,800
Liabilities and Equity	
Liabilities	
Payables	\$1,100
Long-term copier lease	8,500
Total Liabilities	9,600
Equity (Net Assets)	170,200
Total Liabilities and Equity	\$179,800

- WDC assets (cash) were \$81,000
- WDC liabilities (payables) were \$300
- WDC equity was \$80,700



COALITION PARTNERS

AARP

AFT-Wisconsin

Alliance for Animals

American Association of University Women - WI

Associated Students of Madison

Burlington Area Progressives

Church Women United in Wisconsin

Church Women United of Madison

Citizens for a Scenic Wisconsin

Citizens' Utility Board

Clean Water Action Council

Clean Wisconsin

Coalition for Wisconsin Health

Coalition of Independent Living Centers

Coalition of Wisconsin Aging Groups

Common Cause in Wisconsin

Disability Rights Wisconsin

Door County Environmental Council

John Muir Chapter of the Sierra Club

League of Women Voters of Wisconsin

Lutheran Office for Public Policy in Wisconsin

Madison Teachers Inc.

Midwest Environmental Advocates

National Association of Social Workers Wisconsin Chapter

National Farmers' Organization - Wisconsin

Peace Action Wisconsin

Progressive Dane

River Alliance of Wisconsin

Social Concerns Commission - WI Conference - United Church of Christ

1,000 Friends of Wisconsin

United Council of UW Students

Waukesha Area Citizens for Campaign Finance Reform

Wisconsin Audubon Council

Wisconsin Community Action Program Association (WISCAP)

Wisconsin Council on Children and Families

Wisconsin Federation of Cooperatives

Wisconsin Homecare Organization

Wisconsin Interfaith Climate and Energy Campaign

Wisconsin League of Conservation Voters

Wisconsin Network for Peace and Justice

Wisconsin Public Interest Research Group

Wisconsin Retired Educators' Association



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Helping WDC change our world . . .

The oldest social action fund in the country, Community Shares of Wisconsin connects donors with nearly 60 local nonprofit groups building social and economic justice and a healthy environment.

. . . from your own backyard

Community Shares raises funds for its member agencies – including the Wisconsin Democracy Campaign – through workplace giving and other community-based fundraising. WDC became a member agency of Community Shares of Wisconsin in 2004 and this is one of the fastest growing sources of income for the Democracy Campaign. Thanks to all who donate to us in this way!



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