

Campaign Finance Talk

The Voice of the Michigan Campaign Finance Network

March 2006

Abramoff's Lessons for Michigan

by Rich Robinson

The scandal that is unraveling around former superlobbyist Jack Abramoff is a story about paying to play at politics. The scale is new but the techniques are not. Fraud, bribery, money laundering, kickbacks and illicitly gotten perquisites are not patented inventions of the Abramoff lobbying and campaign finance machine. Corruption is as old as politics.

Abramoff's brazenness has fueled widespread outrage, but we the people seem to be blithely accepting of the core offense – the buying and selling of public policy. Indian tribes that own casinos buy protection to keep other tribes out of the game. The federal transportation budget is loaded up with 6,000 pork barrel earmarks, like Alaska Sen. Ted Stevens' infamous Highway to Nowhere. Uncle Sam can't get the same discount for volume buying of prescription drugs that Sam's Club gets. And it's all tolerated as standard operating procedure in our nation's capital.

We deserve protection from this poisonous one-hand-washes-the-other political culture - and Congress probably will act. The pause in the revolving door between public service and a lobbying career will probably be extended from one year to two. Lobbyist-funded junkets that are more recreational than educational will be less common, at least for a while.

However, here in Michigan, where the regulations for lobbying, ethics and campaign finances are much less stringent than the regulations in Washington, it's less clear that our elected officials are willing to enact laws to constrain pay-to-play politics. The governor and several legislators are talking about reform, but it's not clear whether they are talking past each other to earn election year style points, or if they are truly committed to bipartisan solutions to an array of threats to the public interest.

Here are several areas that need attention:

LOBBYING—

Lobbyists file semiannual reports of their expenditures on behalf of officeholders and top administration appointees. Lobbyists must report dining expenditures for those officials that exceed \$51 in a month. But lobbyists don't have to report travel and lodging expenditures unless they exceed \$675. That is a gaping loophole.

Lobbyists should be required to disclose all travel and lodging expenditures for lobbyable officials and they should report quarterly.

Officeholders and top administration appointees don't have to report any of the gifts they receive or junkets they take, as members of Congress do. If you want to know which lobbyists have spent money to court your elected representative, you have to search a database of lobbyists' reports. It's like looking for needles in a haystack.

Elected officials and top administration appointees should be required to report all lobbyists' expenditures made on their behalf.

Michigan has no mandatory 'cooling off' period between serving in elective office and lobbying. When there is no interruption in the so-called revolving door, it calls into question whether a term-limited officeholder is working on behalf of his constituents or his own future employment prospects.

Michigan should have a mandatory cooling-off period of at least one year in the revolving door between holding public office and lobbying.

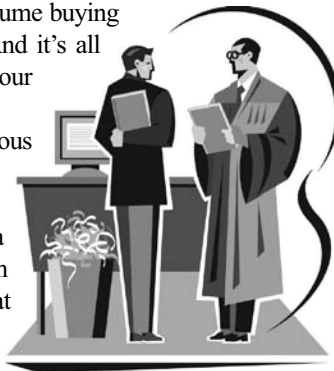
PERSONAL FINANCES—

The Center for Public Integrity has identified Michigan as one of only three states that do not require personal financial disclosure for elected officials. This means that the people and the press have to rely on luck or hearsay to know whether an elected official is serving her own financial interests while voting. The problem is compounded by the fact that abstaining from voting is a matter of personal conscience.

Elected officials and high administration appointees in Michigan should be required to disclose personal financial holdings, as is required by 47 other states and the federal government.

CAMPAIGN FINANCES—

Since 2000, some \$20 million has been spent for candidate campaign ads masquerading as "issue ads." These expenditures are unreported and unregulated. In each of the last three state election cycles, over half the money in the biggest statewide campaigns has been off the books.



Broadcast issue ads in state campaigns should be regulated according to standards similar to the federal McCain-Feingold reforms. Receipts and expenditures for such ads should be reported like all other campaign finances.

Limits on contributions to candidates are routinely circumvented when supporters make unlimited contributions to political action committees (PACs) or the political parties, and the recipient committee of those unlimited contributions makes unlimited independent expenditures to support the favored candidate. This amounts to legal money laundering.

Michigan should have limits on contributions to state PACs and political parties, just as there are limits on contributions to federal PACs and parties.

Candidate campaign finance committees file pre- and post-election reports during election years, but they file only one year-end annual report for non-election years. This schedule gives the people and the press no oversight of officeholders' campaign fundraising while laws and budgets are being passed during non-election years and the first half of election years.

Candidate committees should file quarterly campaign finance reports during non-election years and they should file a report at the end of the first quarter of election years.

ENFORCEMENT—

In all problem areas related to money in politics, sensible policies are ineffective without meaningful enforcement. The state Board of Ethics is advisory only, having no enforcement authority. The Ethics Act does not cover the legislative branch. Campaign finance enforcement is spotty and resides in a department that is led by a partisan elected official.

Michigan should have a nonpartisan ethics commission with investigative and enforcement authority. Penalties for violations should be severe enough to provide motivation to comply with the law.

Without reforms to establish a regime of limits, accountability and enforcement, we can expect that money will continue to play an oversized role in the development of public policy in Lansing. You can be sure that the special interest groups' concerns will be heard. Will yours?

Join Us in Asking a Few Questions

MCFN is looking for partners to join us in asking this year's candidates for state office a few questions about ethics, lobbying, campaign finances and general political reform.

Our goal is to assemble representatives from a broad range of state and local organizations that share concern about political integrity and the health of our democracy, and turn our concern into a questionnaire that will be sent to all primary election candidates for the legislature and executive offices. We will publish responses to the questionnaire as a service to voters.

We believe that the response rate for a questionnaire on political reform will increase in proportion to the number of partners who participate in the process. We urge your organization to help in shaping the questionnaire and requesting a reply to it.

We will be meeting on **Friday, April 7, 2006 at 1:00 p.m. at the Central United Methodist Church at the northwest corner of Capitol Ave. and Ottawa St. in downtown Lansing**, directly north of the Capitol. There is on-street parking around the church and there is a public ramp on Capitol Ave. just north of the church.

Kindly RSVP by email to mcfn@mcfn.org, or call (517) 482-7198.

Migrating to the Ether

As a cost saving measure, future editions of *Campaign Finance Talk* will be published electronically only and distribution of hard copy by mail will be discontinued.

We value you as a reader and we hope you value *Campaign Finance Talk*. To receive future editions, send email to mcfn@mcfn.org with the word "subscribe" in the subject line. We'll deliver future editions of *Campaign Finance Talk* to your computer mailbox. If you received email notification of this edition, you're already on our list and you don't need to take additional action.

Officeholders Raised \$10 Million in 2005

State officeholders raised over \$10 million in calendar year 2005 but didn't disclose any of it until the first days of February this year when they filed their 2006 Annual campaign finance reports.

The officeholders held hundreds of fundraisers during the year, while they wrote laws and set budget priorities that made economic winners and losers across our state. The lax reporting schedule denies the people and the press the chance to see who has given what to whom while officeholders are discharging their official duties.

Federal officeholders have to file quarterly reports in non-election years.

Governor Jennifer Granholm accounted for nearly half the 2005 total, taking in

\$5 million. With \$8.1 million in receipts so far this election cycle, she has already exceeded her total fundraising from non-public sources in the 2002 election cycle.

Attorney General Mike Cox raised \$864,000 in 2005 to bring his total for this election cycle to \$1.0 million.

Secretary of State Terri Lynn Land took in \$309,000 in 2005 to bring her total this election cycle to \$628,000. Land's campaign committee is still carrying more than \$1 million in debt to her husband from her 2002 campaign.

Incumbent state senators raised \$2.5 million in 2005 to bring their total for the election cycle to \$6 million.

The nominal fundraising leader among

the senators was Republican Sen. Alan Sanborn from Macomb County's Richmond Township, although \$565,000 of his \$738,000 total was loans from the candidate. Sanborn's committee has repaid the candidate \$325,000 and still owes him \$240,000.

Following Sanborn in total receipts so far this election cycle were: Sen. Bruce Patterson (R-Canton Township), \$407,000; Sen. Jason Allen (R-Traverse City), \$318,000; and Sen. Tony Stamas (R-Midland), \$290,000. Like Sanborn, Patterson was a big contributor to his own campaign committee, having given \$104,000.

Term limits have not stopped those who cannot run again from raising money. Senate Majority Leader Ken Sikkema has raised

State Senate Incumbents' Fundraising
11/25/02-12/31/05

Dist	Senator	Party	Total Receipts 2005	Incid. Expend. Cycle	Total Expend. Cycle	Ending Balance	Debt	
37	Allen, Jason	R	106,456	317,911	0	193,929	130,048	0
31	Barcia, Jim	D	31,754	64,545	35	40,353	35,700	0
8	Basham, Raymond E.	D	24,157	72,590	39,357	71,805	17,556	0
23	Bernero, Virg	D	40,686	107,377	0	107,687	282	0
24	Birkholz, Patricia L.	R	37,819	102,920	2,464	106,444	(3,144)	17,094
12	Bishop, Mike	R	21,760	101,381	0	78,253	26,115	0
18	Brater, Liz	D	34,855	81,700	0	35,752	54,476	0
16	Brown, Cameron	R	24,096	132,045	11,249	105,815	19,257	28,318
15	Cassis, Nancy	R	40,346	147,849	0	60,215	90,623	200
26	Cherry, Deborah	D	123,814	216,592	6,002	102,983	130,088	0
3	Clark-Coleman, Irma	D	23,614	48,098	11,805	34,533	23,861	0
1	Clarke, Hansen	D	86,158	152,674	0	60,302	92,387	13,400
33	Cropsey, Alan	R	18,305	34,366	0	22,228	16,768	0
27	Emerson, Robert L. *	D	27,544	92,786	0	55,075	48,454	0
22	Garcia, Valde	R	57,403	155,454	0	147,925	7,461	0
20	George, Tom	R	120,677	194,044	0	69,874	127,696	90,000
25	Gilbert, Jud	R	79,818	178,245	3,779	89,843	100,431	36,000
32	Goschka, Mike *	R	20,471	69,756	76,352	76,370	270	6,101
17	Hammerstrom, Beverly S.*	R	17,825	97,745	25,872	87,124	23,084	0
29	Hardiman, Bill	R	103,615	264,339	2,018	191,738	87,798	0
14	Jacobs, Gilda Z.	D	45,922	92,890	19,913	67,914	57,614	0
21	Jelinek, Ron	R	26,687	84,964	5,102	51,149	43,394	0
13	Johnson, Shirley *	R	64,754	224,231	70	220,193	4,194	30,324
30	Kuipers, Wayne	R	18,900	66,180	0	62,220	6,249	1,500
5	Leland, Burton *	D	31,333	62,489	7,658	44,191	37,894	0
35	McManus, Michelle	R	67,233	210,481	0	146,485	73,740	0
9	Olshove, Dennis	D	14,200	42,975	0	61,070	8,743	0
7	Patterson, Bruce	R	187,789	406,667	22,958	202,397	221,492	102,400
38	Prusi, Michael	D	80,805	117,962	11,924	40,577	82,976	0
11	Sanborn, Alan	R	291,889	737,869	22,554	458,032	282,411	240,000
19	Schauer, Mark	D	142,654	225,399	0	55,921	173,779	0
2	Scott, Martha G.	D	23,646	56,859	28,037	61,501	604	0
28	Sikkema, Ken *	R	71,465	239,683	188,141	188,499	70,030	0
36	Stamas, Tony	R	104,106	289,578	51,302	142,625	149,516	0
10	Switalski, Michael	D	52,118	90,667	0	56,235	48,820	0
4	Thomas III, Samuel Buzz	D	39,451	102,814	0	81,701	21,476	0
6	Toy, Laura M.	R	65,113	147,549	492	102,544	68,252	0
34	VanWoerkom, Gerald	R	91,794	178,525	1,084	79,269	101,572	0
	Totals		2,461,033	6,010,196	538,168	3,860,773	2,481,964	565,337

* Term limited

Note: Ending balances do not include in-kind contributions, which are part of Total Receipts

\$240,000 and Appropriations Chairwoman Sen. Shirley Johnson has raised \$224,000 so far this election cycle. Sikkema has spent \$188,000 for incidental office expenses, while Johnson has repaid \$168,000 of debt from her 2002 campaign. Sen. Johnson's husband, Clifford Johnson, has been repaid \$126,000.

The incumbent state representatives reported raising \$2.8 million in their first reports since December 2004.

The fundraising leader was Rep. Roger Kahn (R-Saginaw Township) with \$105,000. Kahn also has raised \$157,000 for an "exploratory" senate campaign committee,

with \$111,000 of that total contributed by Kahn.

Following Kahn in total receipts were: Rep. Kathy Angerer (D-Dundee), \$98,000; Speaker of the House Craig DeRoche, \$86,000; and Rep. Mike Nofs (R-Battle Creek), \$84,000.

Angerer won the most expensive state House campaign in 2004. Nofs chairs the House Energy and Technology Committee.

A complete table of incumbent representatives' fundraising for 2005 is available online at www.mcfn.org.

Among challengers for state offices,

presumptive Republican gubernatorial nominee Dick DeVos was the leading fundraiser through December 31, 2005 with \$1.9 million, including more than \$820,000 from himself and his wife, former Michigan Republican Party chairwoman Betsy DeVos.

M. Scott Bowen had raised \$115,000 while pursuing the Democratic nomination for attorney general

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All articles were written by Rich Robinson, executive director of the Michigan Campaign Finance Network.

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