

Posted: April 5, 2004
 Updated: April 7, 2004

Special interest electioneering more hidden than disclosed

Allies of both major parties now use soft money-fueled 'issue ads' to evade reporting requirements, keep public in the dark about campaign finances

Madison - For the first time, more electioneering by organized special interest groups in 2002 state races escaped detection by Wisconsin's campaign finance disclosure system than was accounted for publicly, a [report](#) released today by the Wisconsin Democracy Campaign shows.

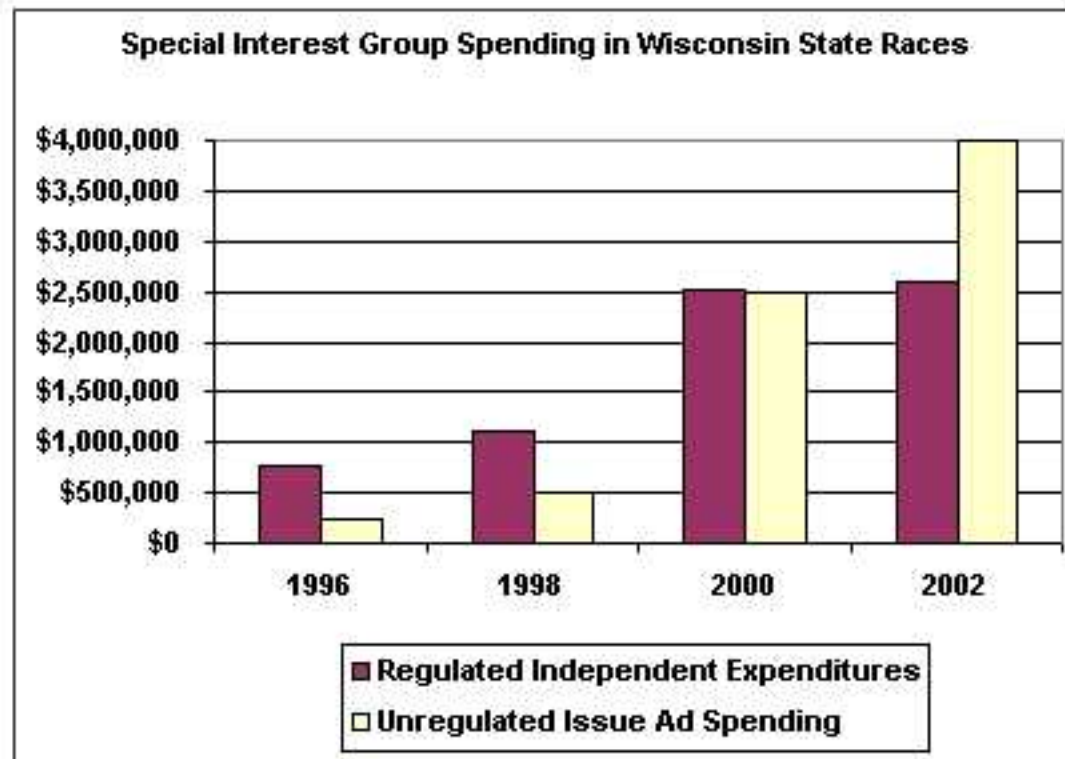
So much money is now slipping under the radar that in the last election one of the most powerful special interest groups in the state reported a grand total of \$450 in election-related giving and spending in an election year that featured a \$23 million race for governor.

Advocacy groups allied with both major state political parties are increasingly relying on anonymous and unlimited "soft money" donations to pay for campaign ads whose plain purpose is to sway voters, skirting disclosure requirements and blowing a gaping hole in political sunshine laws designed to ensure an informed electorate.

Based on analysis of the extent of television and radio advertising and the scope of direct mail campaigns, as well as a review of Internal Revenue Service records for national committees that facilitated the flow of soft money into state races in Wisconsin, an estimated \$4 million in special interest donations went unaccounted for in campaign disclosure reports for 2002, the Democracy Campaign study concludes.

The \$4 million in undisclosed special interest contributions that paid for so-called "issue ads" in 2002 compares to \$2,603,166 in reported independent expenditures supporting or opposing candidates financed by registered political action committees (PACs). This marks the first time that unregulated issue ads paid for with unrestricted soft money clearly outnumbered campaign ads paid for with PAC money that is subject to disclosure requirements and campaign contribution limits ([see chart below](#)).

"More and more campaign money is being passed under the table in Wisconsin, and it's making a mockery of our state's campaign finance disclosure laws," WDC executive director Mike McCabe said. "Special interests don't need issue ads and the soft money loophole to participate in election campaigns. They can do that with money given and spent in full public view. They need soft money and issue ads to give anonymously and spend unaccountably. They need this loophole to sneak money into the political process that would be illegal under Wisconsin law if disclosed."



While some at the Capitol have claimed that interest groups allied with the Republicans are responsible for most of the so-called "issue ads" paid for with unreported soft money donations at the state level, WDC found that groups connected to both major parties are heavily involved in raising undisclosed funds for electioneering purposes and that organizations favoring the Democrats appear to have raised considerably more unreported soft money at the state level in 2002 than Republican supporters did.

Many of the same observers also have painted registered political committees as a Democratic bastion. WDC's study found that the facts tell a very different story. For example, the registered committee of the Republican Party of Wisconsin contributed \$704,159 to candidates for state office in 2002, more than twice as much as the \$309,130 in reported contributions by the Democratic Party of Wisconsin. In addition, a WDC analysis of special interest committees known as conduits showed that Republican legislative candidates have received three times more money from conduit committees than Democrats.

"It's a common misconception that undisclosed issue ads are a Republican campaign tool and registered political committees are a Democratic tool, but it's a misconception nonetheless," McCabe said. "The obsession with partisan advantage causes lawmakers to lose sight of the clear public interest in disclosure and the fact that Wisconsin has a campaign disclosure crisis on its hands. It's a bipartisan problem. Both sides had a hand in creating the crisis, and both sides are making it worse by the day."

A stark example of the trend away from publicly disclosed campaign activity toward anonymous and unaccountable electioneering is one of the biggest of the big-money interest groups - business lobby Wisconsin Manufacturers and Commerce - which reported \$450 in campaign contributions to candidates for state office in 2002 and reported no independent campaign spending.

"WMC is a major player in campaigns and is pumping hundreds of thousands of dollars into races to influence the outcome of elections, but only told the people of Wisconsin about \$450," McCabe said. "That shows an utter disregard for voters' fundamental right to know who is trying to buy elections. Unfortunately legislative leaders not only are tolerating this deceit but are actively working to promote it."

The holes in Wisconsin's campaign finance disclosure system have not been plugged despite last December's U.S. Supreme Court ruling upholding a soft money ban and full disclosure of issue ads. A 1999 Wisconsin Supreme Court decision also held that the state may regulate issue ads and invited either the Legislature or state Elections Board to do so.

Opponents of disclosure characterize regulation of issue ads as an infringement on free speech and a ban on interest group participation in election campaigns. In its December ruling, the U.S. Supreme Court rejected this argument, noting that it is "simply wrong to view the provision as a 'complete ban' on expression rather than a regulation."

From Sunlight to Darkness

[Back](#) • [Send to a friend](#) • [Search our site](#)