

FEC proposes reduction in late fines for small committees

An administrative fine program begun in mid-1999 is having its intended effect of prodding political committees into filing their disclosure reports on time, but the Federal Election Commission worries that the automatic fines may be too hefty for some late-filing political committees.

Responding to those fears, the FEC last week proposed revisions to its fine schedule that would mean lower penalties for committees that raise or spend less than \$50,000 during a reporting period.

"Committees with activity below \$50,000 are often those of candidates who have lost an election and fail to continue filing the required disclosure reports after the loss but before they are eligible to terminate," the FEC explained in a notice that appears in the April 25 *Federal Register*.

"Fines for these committees can be relatively high due to their failure to file because the civil money penalties are

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Campaign law draws 6 lawsuits, court sets Dec. 4 hearing date

A three-judge panel in the U.S. District Court for the District of Columbia last week set a December 4 date to hear arguments in a collection of lawsuits that seek to overturn key provisions of the Bipartisan Campaign Reform Act (BCRA).

Altogether, six lawsuits have been filed against the new campaign finance law. The complaints, all alleging that Congress exceeded its constitutional authority by approving pre-election restrictions on political speech, were consolidated into a single case, *McConnell vs. Federal Election Commission*.

Last week's court order included a schedule of deadlines for lawyers to file briefs and replies, for completing discovery, and for collecting affidavits from expert witnesses.

Only one procedural matter remained unresolved at week's end: whether a group of Capitol Hill lawmakers will be permitted to intervene as defendants in the case.

Sens. John McCain (R-Ariz.) and Russ Feingold (D-Wis.) and Reps. Christopher Shays (R-Conn.) and Marty Meehan (D-Mass.), together

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Trixie settles an old score, and weaves a web of issues

Las Vegas, Nev.—Trixie, as everyone must have known, does have a personal grudge against Democratic congressional candidate Dario Herrera. But does it really matter?

Herrera is the 28-year-old Clark County Commissioner seeking election to Nevada's new third seat in Congress, a Cuban-American who attended the University of Nevada-Las Vegas and decided to stay, rather than go home to Miami's "Little Havana" community which is hardwired for Republicans.

Trixie is the pseudonym of an anonymous operator of an Internet website—*darioslittleproblem.com*—that's been serving up unflattering details about Herrera's personal and political life to thousands of daily visitors.

Most of the website's traffic can be attributed to attention that it's received from local news media. And its message might encourage another candidate to jump into the September 3 pri-

mary (the filing deadline is May 20) and deny Herrera an uncontested nomination.

Trixie's website rates the attention for several reasons.

First, it has an aura of credibility because it includes a library of hyperlinks to articles and commentary in Las Vegas' mainstream news media that have raised questions about Herrera.

And, the controversy raised by Trixie's website must be viewed through the prism of a new law which stifles criticism against federal candidates during the final weeks of election campaigns.

Although the Bipartisan Campaign Reform Act (BCRA) doesn't take effect until after this year's federal elections are concluded, the new law instructs the Federal Election Commission to write its implementing regulations prior to its November 6 effective date. The BCRA-

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Court consolidates 6 anti-reform lawsuits

(From Page 1)

with several of their legislation's supporters, filed an application for intervenor status. A provision of the law they co-wrote specifically grants members of Congress "the right to intervene either in support of or in opposition to the position of a party to the case regarding the constitutionality of the provision or amendment."

The lawsuits go to the heart of the law's constitutionality, exactly the kind of litigation that the lawmakers had in mind when they wrote the intervenor provision.

Nevertheless, James Bopp Jr., who is among lawyers for Sen. Mitch McConnell (R-Ky.) and an array of organizations that have joined as plaintiffs in the lead case, asked the court to deny the intervention.

Campaign reform supporters argued throughout the debates in Congress that their proposals were constitutional.

"If that's true," Bopp asked, "why isn't it enough that the Federal Election

Commission, the Federal Communications Commission, and maybe the Justice Department is defending this bill using taxpayer money? Why do they need expensive lawyers financed by multi-million dollar grants from the wealthiest individuals and foundations in our country?"

All six of the anti-BCRA lawsuits share common themes in raising First Amendment political speech and association defenses against the campaign finance measure.

The most recent of the lawsuits, filed last week by U.S. Rep. Ron Paul (R-Tex.) and Gun Owners of America, seeks also to overturn the 1974 Federal Election Campaign Act as a violation of the First Amendment's guarantee of a free press.

"Since the founding of the American republic, the freedom of the press has prohibited government licensing of speech, guaranteeing to the People—not just to BCRA/FECA-exempted newspapers, magazines...or broadcast facilities—editorial control of communications made in relation to campaigns for election to federal office," the suit claims.

New PACs

NRG Energy Inc. PAC, Donald Newman, 901 Marquette Ave. #2300, Minneapolis, Minn. 55402

Coalition for a Republican Majority, Tony Darnell, 3651 Peachtree Pkwy. #E-118, Suwanee, Ga. 30024

Star Financial Bank PAC, Karen, Gregerson, 127 W. Berry St., Fort Wayne, Ind. 46802

Higher Education PAC, John Sperling, 4835 E. Exetar Blvd., Phoenix, Ariz. 85018

Committee for Leadership and Progress, Tanya Prescott, P.O. Box 31107, Bethesda, Md. 20824

Hero's Fund, Barbara Bonfiglio, 285 Peachtree Center Ave. #2500, Atlanta, Ga. 30303

WIN PAC, Kinde Durkee, 601 Glenoaks Blvd. #211, Burbank, Calif. 91502.

Buckeye State PAC, Jeffrey Benton, P.O. Box 29343, Columbus, Ohio 43229

Integrated Electrical Services National PAC, Neil DePascal, 1800 West Loop South #500, Houston, Tex. 77027

Detroit Regional Chamber FedPAC, Anne Sherwood, 1 Woodward Ave. #1900, Detroit, Mich. 48226

Kentucky Walking Horse PAC, Earl Rogers Jr., 1644 W. Highway 60, Owingsville, Ky. 40360

Metropolitan Transportation Authority Police Benevolent Association PAC, Raymond Gimmler, 134 Rockaway Ave., Valley Stream, NY 11580

ADW PAC, Claudia Anton, 1220 L St. NW #100 (PMB 207), Washington, DC 20005

Alabama Bankers Association Federal PAC, Dan Bailey, P.O. Box 427, Montgomery, Ala. 36101

American Indian Sovereignty Self-Determination & Economic PAC, John Harte, 224 2nd St. SE, Washington, D.C. 20003 (National Indian Gaming Association)

political finance

ISSN 0270-353X

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Amward Publications Inc.

P.O. Box 1500

Hedgesville, WV 25427

(304) 264-8160

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political finance published 12 times a year. Annual subscription rate is \$197

Media powerhouses tell FEC to clarify debate regulation

A collection of the nation's most powerful television and newspaper corporations have asked the Federal Election Commission to revise a regulation to treat the selection of political debate participants as an editorial decision that should not be subject to government oversight.

Their April 10 rulemaking petition noted that the current regulation requires debate sponsors to invite participants according to "pre-established objective criteria." Failure to meet that requirement, they said, could lead the FEC to determine that a media-sponsored debate was an illegal corporate contribution or expenditure.

The FEC's regulation might be permissible for a debate that is sponsored by a non-media organization, such as a university or a non-profit organization such as the League of Women Voters. But, the petitioners said, the regulation's application to news media organizations violates a First Amendment right to sponsor news events.

Furthermore, they claimed the regulation conflicts with the FEC's own advisory rulings that have allowed news media organizations to provide free advertising to candidates, and it conflicts with Federal Communications Commission policies that encourage news media organizations to provide a forum for political discussion.

The petitioners claimed a sense of urgency, even though the FEC hasn't interfered with a news media-sponsored debate since 1980 when it told the Nashua (N.H.) *Telegraph* that it would be violating the law if it invited Republican primary candidates Ronald Reagan and George Bush to a debate without inviting other candidates in the GOP primary.

The recently enacted Bipartisan Campaign Reform Act, which is due to take effect next November 6, specifically exempts a "candidate debate or forum conducted pursuant to regulations adopted by the Commission"

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PAC financial activity: 2001

Federally-registered PACs contributed \$99.3 million (\$49.0 million to Democrats, \$50.3 million to Republicans) during the 2001 calendar year. Four PACs gave more than \$1 million: Association of Trial Lawyers PAC (\$1,370,753), AFSCME PEOPLE (\$1,202,000), Machinists Non-Partisan League (\$1,174,250), and IBEW COPE (\$1,090,150).

Listed on the chart below are federal PACs that contributed at least \$100,000 to federal candidates during 2001, a non-election year.

For convenience, most PACs are identified by their sponsoring organizations, not by their registered PAC names. Federal law prohibits contributions or expenditures by corporations, trade associations, labor unions and incorporated membership groups; *Political Finance* does not imply such prohibited contributions or expenditures have been made by virtue of any organization's inclusion in this listing.

Shown are total receipts and expenditures for the calendar year, the total amount that was contributed to federal candidates, and how those contributions were divided between Democrats and Republicans.

	Receipts	Expenses	Contributions	Democrats	Republicans
Corporations					
Accenture Ltd.	78,355	223,132	100,250	55,000	45,250
AFLAC Inc.	791,728	562,833	462,000	196,500	265,500
American Crystal Sugar Co.	293,762	258,905	179,000	106,000	73,000
American Electric Power Co.	412,180	361,830	206,750	72,500	133,250
AMR Corp.	263,296	265,326	195,183	96,498	98,685
Andersen	686,009	647,995	363,675	150,348	213,327
Archer-Daniels-Midland Co.	71,372	132,987	109,500	52,000	57,500
AT&T Corp.	515,243	533,678	178,774	89,999	88,775
Bank of America Corp.	782,385	487,218	394,256	202,606	191,150
Bank One Corp.	972,468	863,325	297,650	129,150	168,500
Bayer AG	136,583	126,000	113,500	28,500	85,000
BellSouth Corp.	1,325,456	1,006,366	696,412	280,250	416,162
Board of Trade of Chicago	44,568	129,751	101,000	39,500	61,500
Boeing Co.	370,952	299,326	276,965	117,749	159,216
Bristol-Myers Squibb Co.	184,568	198,848	170,338	55,590	114,784
British American Tobacco Plc.	254,597	179,874	107,824	23,500	84,324
Burlington Northern Santa Fe	322,135	256,393	196,669	68,872	127,797
Chicago Mercantile Exchange	85,933	227,985	188,040	77,540	110,500
CIGNA Corp.	462,196	360,794	228,250	36,000	192,250
Citigroup Inc.	371,258	336,430	240,000	124,500	115,500
CMS Energy Corp.	199,075	173,465	145,315	62,275	83,040
ConAgra Inc.	139,392	154,564	133,250	28,000	105,250
Credit Suisse Group	343,618	191,263	114,000	68,000	46,000
CSX Corp.	184,219	159,468	105,750	30,750	75,000
DaimlerChrysler AG	542,016	437,004	215,040	93,540	121,500
Dairy Farmers of America	504,224	481,578	277,500	122,500	154,000
Deloitte Touche Tohmatsu	1,061,723	673,652	427,719	145,207	282,512
Dominion Resources Inc.	358,881	224,870	132,153	43,323	88,330
DTE Energy Co.	185,964	145,659	106,975	52,725	54,250
Duke Power Co.	241,564	216,483	177,500	56,000	121,500
E.I. du Pont de Nemours & Co.	143,390	109,757	104,500	40,000	64,500
Edison International	292,176	192,885	122,250	59,000	63,250
El Paso Corp.	471,959	399,833	298,000	79,000	219,000
Electronic Data Systems Corp.	201,480	235,088	132,390	59,500	72,890
Eli Lilly & Co.	713,500	420,117	122,000	47,250	74,750
Entergy Corp.	974,337	514,661	178,500	74,750	103,750
Ernst & Young International	620,045	553,144	322,031	108,047	213,484
Exelon Corp.	707,917	568,525	246,500	111,000	135,500
ExxonMobil Corp.	333,607	273,880	267,500	30,500	237,000
FedEx Corp.	1,489,471	1,404,871	757,500	267,000	490,500

Media giants seek revision of FEC's debate regulation

(From Page 3)

from the law's definition of "electioneering communication." Such communications cannot be financed by corporations or labor unions within 30 days of a primary election or 60 days of a federal election.

"A change in the Commission's present rules is necessary to effectuate the intent of that provision," the petitioners said. "Moreover, immediate action by the Commission is required because the FEC should not wait until the effective date of the BCRA to make clear that news organizations do not violate the criminal law by relying on their own editorial judgment in selecting the participants in a debate."

The petition also raised a constitutional argument against the FEC's debate selection regulation. The Supreme Court upheld the Federal Election Campaign Act as a justified restriction on First Amendment-protected political speech that serves the government's compelling interest in avoiding actual or perceived corruption.

"It is clear that the FEC's debate regulation cannot withstand constitutional review under this standard. Plainly, the staging of a debate between two competing aspirants for public office cannot be considered a contribution to their campaigns in any meaningful sense of the word, since the participants cannot control what happens at the debate and whether it will be helpful or harmful to their candidacies," the petitioners said.

The petition was filed by CBS Broadcasting Inc. (a subsidiary of Viacom Inc.), American Broadcasting Cos. Inc. (a subsidiary of Walt Disney Co.), National Broadcasting Co. Inc. (a subsidiary of General Electric Co.), and News America Inc. (a subsidiary of Australia-based News Corporation Ltd. which owns the Fox Broadcasting Co.).

Newspaper publishing corporations joining the petition included: Belo Corp. (a newspaper chain that includes the *Dallas Morning News*), Cox Enterprises Inc. (publisher of the *Atlanta Journal & Constitution*), Gannett Co. Inc.

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	Receipts	Expenses	Contributions	Democrats	Republicans
Ford Motor Co.	484,261	540,426	214,000	39,000	175,000
FPL Group Inc.	333,047	184,217	136,750	25,000	111,750
General Atomics	210,558	209,242	203,250	73,500	129,750
General Dynamics Corp.	481,784	515,000	439,000	129,500	309,500
General Electric Co.	780,217	649,356	283,550	114,876	168,674
General Motors Corp.	275,179	267,193	100,250	43,400	56,850
Georgia-Pacific Corp.	160,603	144,632	141,042	48,042	92,500
GlaxoSmithKline Plc.	821,680	724,908	330,302	86,411	243,891
Goldman Sachs Group Inc.	384,685	309,040	169,000	87,000	82,000
Household International Inc.	496,970	466,791	229,202	88,500	140,702
International Paper Co.	386,036	295,080	147,181	16,000	131,181
J.P. Morgan Chase & Co. (State)	333,559	382,107	118,500	47,000	71,500
J.P. Morgan Chase & Co. (Fed'l)	108,234	118,175	113,000	55,500	57,500
Jacobs Engineering Group Inc.	276,930	182,514	108,512	35,515	72,997
Johnson & Johnson	386,700	232,612	125,000	53,500	71,500
Koch Industries Inc.	301,564	243,826	138,263	54,000	84,265
KPMG International	860,442	640,698	417,670	100,537	317,133
Lockheed Martin Corp.	492,553	539,532	524,050	198,600	325,450
Marconi Plc.	208,434	229,028	185,427	62,428	122,999
Massachusetts Mutual Life	266,629	238,219	134,000	45,500	88,500
MBNA Corp.	846,294	825,750	203,000	98,500	104,500
Merck & Co. Inc.	361,439	295,652	199,899	71,063	128,836
Metropolitan Life Insurance Co.	503,050	441,788	279,849	134,483	145,366
Microsoft Corp.	685,594	468,342	285,601	116,000	169,601
Morgan Stanley Dean Witter Co.	492,183	351,439	221,540	101,540	120,000
Motorola Inc.	86,357	115,083	109,056	45,059	63,997
New York Life Insurance Co.	333,380	284,219	142,750	72,500	70,250
Norfolk Southern Corp.	173,993	167,447	128,400	40,750	87,650
Northrop Grumman Corp.	311,613	281,127	227,450	79,750	147,200
Northrop Grumman Corp. (Newport News Shipbldg)	332,426	371,075	317,200	104,000	208,200
Northwestern Mutual	198,246	169,303	120,030	48,030	72,000
Occidental Petroleum Corp.	149,425	153,206	107,500	35,500	72,000
Pfizer Inc.	419,928	362,544	263,000	71,250	191,750
Philip Morris Cos. Inc.	831,871	678,686	358,000	80,500	276,500
PriceWaterhouseCoopers LLC	479,264	492,504	292,982	80,174	212,808
Progress Energy Inc.	108,286	88,144	148,644	51,144	97,500
Qwest Communications Intl Inc.	379,701	164,860	124,175	49,556	74,619
R.J. Reynolds Tobacco Holdings	582,134	396,479	243,750	52,500	190,250
Raytheon Co.	370,358	354,957	255,500	105,500	150,000
Reliant Energy Inc.	293,084	305,437	120,850	40,100	80,750
SBC Communications	967,574	809,614	614,437	270,437	344,000
Schering-Plough Corp.	176,073	179,007	147,250	48,000	99,250
Science Applications Intl Corp.	213,176	164,584	157,500	55,000	102,500
Southern Co.	256,125	252,330	157,000	51,000	106,000
Sprint	196,543	197,804	131,000	42,000	88,500
Textron Inc.	148,961	167,500	151,500	43,000	108,500
TRW Inc.	231,276	122,710	110,150	37,400	72,750
UAL Corp.	153,400	115,654	105,000	51,000	54,000
Union Pacific Corp.	759,075	586,914	403,348	62,300	341,048
United Parcel Service Inc.	2,356,581	1,870,050	816,856	251,280	565,076
United Technologies Corp.	209,290	162,500	144,550	53,000	91,550
USA Education Inc.	278,252	174,036	148,785	83,160	65,625
USAA	327,708	258,255	148,500	32,750	115,750
UST Inc.	349,804	311,562	144,500	35,000	109,000
Verizon Communications Inc.	892,153	732,342	499,650	180,900	319,250
Viacom International Inc.	296,835	215,917	145,000	73,500	71,500
Wal-Mart Stores Inc.	630,270	589,480	456,000	112,500	343,500
Walt Disney Co.	260,899	211,400	205,000	90,500	114,500
Wells Fargo & Co.	245,914	132,389	102,050	42,000	60,050
WorldCom Inc.	580,256	465,157	262,701	136,625	126,076

	Receipts	Expenses	Contributions	Democrats	Republicans
Labor Unions					
AFL-CIO (Bldg & Con Trades)	180,882	184,254	136,909	117,909	19,000
AFL-CIO COPE	876,533	461,394	364,625	345,625	19,000
Air Line Pilots Association	880,157	606,909	515,500	429,000	86,500
Allied Pilots Association	123,804	124,385	122,500	79,500	43,000
Amalgamated Transit Union	580,967	510,875	408,565	366,565	41,000
Amer Fed of Govt Employees	344,218	289,889	179,850	165,600	13,750
Amer Fed of State Cty & Mun	4,236,940	3,978,690	1,202,000	1,161,500	38,000
Amer Fed of Teachers	2,835,465	1,437,891	258,365	255,515	2,850
Amer Maritime Officers Service	624,702	668,739	600,162	288,000	311,162
Amer Postal Workers Union	241,989	166,774	121,500	119,500	1,000
B'hood of Locomotive Engineers	466,305	271,017	120,590	111,390	9,200
Communications Wrkrs Amer	1,793,267	1,456,499	585,950	567,950	18,000
Hotel & Restaurant Emp Intl	347,837	262,585	172,210	135,710	36,500
Intl Assn of Fire Fighters	737,363	492,589	411,425	339,225	71,200
Intl Assn of Iron Workers	1,120,116	871,472	546,500	465,500	78,500
Intl Assn of Machinists	2,407,567	2,270,359	1,174,250	1,139,250	25,000
Intl B'hood of Boilermakers	504,834	455,626	373,250	354,500	18,750
Intl B'hood of Electrical Wrkrs	3,946,875	3,984,045	1,090,150	1,046,600	43,550
Intl B'hood of Teamsters	4,911,398	4,689,537	949,218	796,218	153,000
Intl Longshoremen's Assn	729,126	343,462	175,000	166,000	9,000
Intl Union of Bricklayers	109,183	310,954	171,750	157,250	14,500
Intl Union of Op Engineers	631,654	455,439	189,500	148,000	39,500
Intl Union of Painters	1,236,142	874,088	118,475	112,975	5,500
Laborers Intl Union	1,345,438	1,156,192	985,500	825,500	157,500
Laborers Intl Union (Western)	108,485	129,500	115,000	115,000	0
Marine Engineers Ben Assn	228,911	291,494	231,375	166,375	65,000
Natl Air Traffic Controllers Assn	552,898	342,350	314,750	290,250	24,500
Natl Assn of Letter Carriers	702,208	485,672	380,250	304,250	74,000
Natl Education Association	2,790,187	1,205,845	494,650	458,650	35,000
Natl Rural Letter Carriers Assn	414,409	201,761	187,500	134,000	53,500
Natl Treasury Employees Union	197,830	116,526	100,250	92,250	8,000
Seafarers International Union	778,707	606,601	262,112	221,781	39,831
Service Employees Intl Union	3,648,988	1,804,763	857,999	768,999	86,500
Sheet Metal Workers Intl Union	1,231,971	1,257,930	517,500	491,000	25,500
Transport Workers Union	645,772	487,263	313,200	289,300	23,900
Transportation Comm Intl Union	294,242	260,641	185,740	167,740	17,500
UNITE	131,745	231,063	121,375	118,375	3,000
United Assn of Journeymen	734,201	585,146	317,500	310,000	5,500
United Automobile Workers	4,639,518	1,375,912	685,450	669,450	15,000
United B'hood of Carpenters	1,275,246	850,785	707,500	530,500	177,000
United Food & Comm Wrkrs	2,113,460	1,442,256	589,994	577,994	12,000
United Mine Workers of Amer	549,231	321,381	125,000	115,500	9,500
United Steelworkers of America	694,654	353,974	234,800	229,800	0
United Transportation Union	1,561,820	1,246,110	632,250	534,250	98,000

Law/Lobbying Firms

Akin Gump Strauss Hauer & Feld	326,889	315,419	187,963	85,901	102,062
Holland & Knight	232,743	241,038	153,694	74,250	79,444
PMA Group Inc.	144,157	131,500	127,999	59,499	68,500
ShawPittman	272,588	259,118	121,100	65,500	55,600
Verner Liipfert Bernhard	186,107	226,446	172,057	87,429	84,628

Trade Associations

Aircraft Owners & Pilots Assn	586,816	547,700	135,500	51,000	84,500
Amer Bankers Assn	1,044,092	844,852	656,792	237,042	418,750
Amer Council of Life Insurers	268,759	223,818	140,908	34,908	106,000
Amer Health Care Assn	484,692	401,097	287,000	147,250	139,750
Amer Hospital Assn	1,039,458	785,611	544,509	248,609	295,400
Amer Sugar Cane League	206,890	241,944	220,648	113,679	106,969
Amer Sugarbeet Growers Assn	140,129	178,420	148,938	79,122	69,816

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(publisher of *USA Today* and dozens of daily newspapers around the country), The New York Times Co. (publisher of the *New York Times* and the *Boston Globe*), and the Tribune Co. (publisher of the *Chicago Tribune*, *Baltimore Sun* and *Los Angeles Times*).

Lawmakers seek more effective enforcement of labor disclosure law

Among various federal transparency laws, none has been more ineffective than the Landrum-Griffin Act's provisions that require labor unions to make an annual disclosure of their financial affairs.

The 1959 law, also known as the Labor-Management Reporting and Disclosure Act—or LMRDA to those familiar with it, was approved by overwhelming majorities in the House and Senate after highly publicized congressional hearings exposed crime and corruption in some of the nation's biggest labor unions.

But as recently as the 2000 reporting year (the deadline was March 31, 2001), fully one-third of the 30,000 labor organizations covered by the law either filed their reports late or didn't bother to file them at all.

Even for the 20,000 labor organizations that met the requirement, the financial information put on public display was not very meaningful, and the Department of Labor agency responsible for the law's administration has invented its own obstacles for keeping the information from the public.

Deputy Labor Secretary D. Cameron Findlay, in testimony to a recent House subcommittee, said the LMRDA reporting forms have remained virtually unchanged since they were first put into use over 40 years ago.

The forms still in use today, he said, "utilize such broad, general categories that union leaders could easily use them to hide overspending, financial mismanagement, and other irregularities from their members."

In recent years, the Labor Department's Office of Labor-Management

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Proposal revives interest in labor disclosure law

(From page 5)

ment Standards frustrated the law's public disclosure purposes by imposing a limit of five reports that could be requested in a single day by a visitor.

Today, when many federal agencies are putting a growing collection of public documents on their websites where they can be freely examined by the public, the OLMS website offers a form that can be used to order up to five reports and pay a 15¢ per page fee for photocopying.

Last month, four Republican members of the House Education and Workforce Committee introduced legislation (H.R. 4055) that was seen as a small step toward resuscitating the 1959 law.

Under the proposed measure, the Secretary of Labor would be required to investigate complaints filed by "any member of a labor organization" that allege a violation of the 1959 law. If an examination shows that a labor union hasn't complied with the law's requirements, then the Secretary would be required to bring a civil lawsuit to compel compliance.

"The law was intended to ensure that rank-and-file union members have a full, equal, and democratic voice in union affairs," Rep. Sam Johnson (R-Tex.), one of the measure's co-sponsors, said at the recent hearing.

"With the passage of time, we have seen some aspects of union democracy thrown to the wayside and often ignored. Union leaders should respect the law, and the U.S. Department of Labor, which is responsible for putting teeth into the LMRDA, should aggressively enforce it," he added.

Rep. Charlie Norwood (R-Ga.), another co-sponsor, added that the law has been a failure because the LMRDA disclosure form "only requires unions to report their expenses in broad categories...they can hide illegal or questionable disbursements."

But the legislation came under criticism from the AFL-CIO whose associ-

(Continued on page 7)

	Receipts	Expenses	Contributions	Democrats	Republicans
Amer Trucking Assns	430,266	391,353	303,990	52,499	251,491
Assoc Builders & Contractors	630,457	496,240	466,500	2,500	463,500
Assoc General Contractors	418,828	195,766	177,492	17,000	159,992
Blue Cross & Blue Shield	277,898	206,306	132,546	44,228	88,318
Bond Market Assn	190,153	186,547	115,861	44,813	71,048
Council of Insurance Agents	130,939	127,773	109,577	31,195	78,382
Credit Union National Assn	1,349,947	1,335,160	658,085	288,450	370,135
Farm Credit Council	276,143	199,536	195,791	73,263	122,028
Financial Services Roundtable	407,397	181,526	111,224	46,193	65,031
Food Marketing Institute	227,388	231,919	173,380	28,969	144,411
Ind Community Bankers	379,101	275,058	197,300	57,050	140,250
Ind Insurance Agents of America	428,207	322,408	212,185	76,723	135,462
Investment Company Institute	230,479	184,826	130,875	42,768	88,107
Natl Assn for Uniformed Services	4,282	162,585	164,650	32,950	131,700
Natl Assn of Broadcasters	399,178	373,894	214,220	73,310	140,910
Natl Assn of Convenience Stores	333,230	448,065	379,000	82,500	296,500
Natl Assn of Home Builders	1,116,398	900,294	721,000	263,500	457,500
Natl Assn of Ins & Fin Advisors	936,348	794,845	368,600	130,500	238,100
Natl Assn of Postmasters	330,291	339,820	248,745	183,225	64,520
Natl Assn of Realtors	2,443,101	1,112,049	702,320	269,970	432,350
Natl Assn of Retired Fed Emps	92,329	407,263	237,500	185,000	52,500
Natl Automobile Dealers Assn	1,996,981	1,364,020	937,650	384,000	548,650
Natl Beer Wholesalers Assn	1,037,389	638,288	565,000	129,000	436,000
Natl Cable Television Assn	514,750	264,577	279,505	123,565	155,940
Natl Cattlemen's Beef Assn	183,945	200,096	176,483	31,884	144,599
Natl Cotton Council of America	96,307	108,312	103,249	44,385	58,864
Natl Fed of Ind Business	1,195,220	933,670	203,406	6,767	195,639
Natl Funeral Directors Assn	140,255	142,500	101,500	39,500	61,000
Natl Multi Housing Council	153,727	139,370	123,016	44,061	78,955
Natl Restaurant Assn	524,920	352,410	283,713	51,000	232,213
Natl Rural Electric Coop Assn	978,751	843,721	444,986	203,622	240,364
Natl Venture Capital Assn	458,411	466,211	302,200	90,700	211,500
Wine & Spirits Wholesalers	336,960	247,769	164,500	60,000	104,500

Professional Societies

Amer Academy Ophthalmology	327,489	412,078	244,322	113,000	129,322
Amer Academy Otolaryngology	137,638	112,945	101,224	47,396	53,828
Amer Assn of Nurse Anesthetists	554,107	425,603	214,084	86,290	127,794
Amer Assn of Orthopaedic Surg	140,084	197,559	158,270	76,425	81,845
Amer Dental Assn	724,381	458,747	358,558	158,249	200,309
Amer Dietetic Assn	83,789	147,365	108,500	54,000	54,500
Amer Institute of CPAs	484,468	405,069	275,363	83,102	191,761
Amer Medical Assn	2,151,882	654,825	272,150	145,000	127,150
Amer Optometric Assn	301,011	278,875	137,955	78,000	59,955
Amer Physical Therapy Assn	317,041	301,413	168,199	86,700	81,499
Amer Podiatric Medical Assn	253,327	158,448	127,575	77,000	50,575
Amer Society Anesthesiologists	946,976	819,361	483,054	223,900	259,154
Amer Veterinary Medical Assn	260,799	205,434	162,500	69,000	93,500
Assn of Trial Lawyers of Amer	2,710,399	2,605,895	1,370,753	1,195,753	170,000

Leadership PACs

Americans for Republican Majority (Tom DeLay)	1,404,545	1,762,246	390,500	0	390,500
AmeriPAC: Fund for Greater America (Steny Hoyer)	383,593	326,402	259,000	259,000	0
Blue Dog PAC (Collin Peterson)	270,631	213,060	152,500	152,500	0
DASHPAC (Tom Daschle)	1,486,951	711,559	152,500	152,500	0
Effective Government Cmte (Dick Gephardt)	404,228	361,961	148,000	148,000	0

AFL-CIO sees political motive behind Landrum-Griffin Act amendment

(From page 6)

ate general counsel, James B. Coppess, described it as a Labor Department initiative “to revise the content and enforcement of the Landrum-Griffin reporting and disclosure requirements for labor organizations.”

“The annual financial reports filed by labor unions are intended to assist union members in regulating the affairs of their unions,” Coppess said. “Experience has shown, however, that these reports are viewed by some as presenting an opportunity to hobble labor unions with onerous reporting requirements having nothing to do with facilitating membership participation—requirements that would, indeed, interfere with the ability of unions to effectively carry out the membership’s direction.”

It may be true, Coppess went on, that one-third of all labor unions are not meeting their LMRDA obligations in a timely manner. But, he said, compliance is lowest among labor unions with the least amount of financial activity. Labor unions with over \$200,000 in annual receipts file a more detailed LM-2 form, while those with less than \$10,000 in receipts file a less detailed LM-4 form. Labor unions with receipts over \$10,000 but under \$200,000 use the LM-3 form.

“In the real world, all or virtually all filers of LM-4’s are very small unions with no paid staff and very little means or activities. And most LM-3 filers have no or very few paid staff as well. Only the LM-2 filers are truly likely to employ any full-time staff—and those filers comprised, for reporting year 1999, just 17.8% of the unions from which any report was due in 2000,” Coppess said.

Most of the late-filers cited in Findley’s testimony are labor unions with less than \$10,000 in receipts that use the LM-4 form. Among the 5,433 labor organizations that have more than \$200,000 in receipts, only 20 had failed to file their disclosure reports within 60 days of the deadline, Coppess added.

	Receipts	Expenses	Contributions	Democrats	Republicans
Freedom Project (John Boehner)	555,926	502,596	145,000	0	145,000
HillPAC (Hillary Clinton)	1,339,428	1,148,495	222,000	222,000	0
Keep Our Majority PAC (Dennis Hastert)	719,272	637,968	277,000	0	277,000
Leadership PAC 2002 (Michael Oxley)	754,247	391,996	139,000	0	139,000
Majority Leader’s Fund (Dick Arme)	948,846	767,940	195,383	0	195,383
New Republican Majority Fund (Trent Lott)	2,411,253	2,336,119	171,000	0	171,000
PAC to the Future (Nancy Pelosi)	954,662	700,889	439,000	439,000	0
Rely on Your Beliefs Fund (Roy Blunt)	394,578	348,818	168,283	0	168,283
Republican Majority Fund (Don Nickles)	973,639	681,045	196,402	0	196,402

Miscellaneous Interest Groups

Natl Abortion Rights Action	518,746	186,074	134,914	124,414	10,500
Planned Parenthood of America	343,540	133,383	105,315	99,815	5,500
Americans for Free Intl Trade	861,840	693,374	131,500	27,000	104,500
Human Rights Campaign Fund	344,754	476,784	420,193	333,193	86,500
Washington PAC	130,399	132,585	101,500	67,500	34,000
Natl Rifle Assn of America	4,429,920	3,249,850	517,569	62,500	454,219
KidsPAC	262,689	177,922	147,500	147,500	0
Natl Cmte to Preserve Soc Sec	281,591	479,304	215,908	177,658	37,750

Source: Federal Election Commission

News media steers big audience to website that links to news articles about federal candidate

(From page 1)

mandated rulemaking comes on top of the FEC’s ongoing review of existing regulations to determine whether they need to be revised for election-related communications on the Internet.

Trixie’s website lies at a crossroads where anonymous political speech intersects with the election law’s disclaimer and disclosure requirements. Trixie has two Supreme Court decisions in his corner: *McIntyre vs. Ohio Elections Commission* which overturned Ohio’s disclaimer law for a woman who opposed a local school tax levy by distributing anonymous literature, and *Reno vs. ACLU* which extended First Amendment protection to the Internet.

The Federal Election Campaign Act regulates expenditures for political communications that urge the election or defeat of a candidate for federal office. Trixie’s website doesn’t contain

an “express advocacy” message, although it’s quite clear that its goal is to defeat Herrera.

BCRA restricts so-called “issue advocacy” communications that mention a federal candidate in a “broadcast, cable or satellite” communication within 30 days of a primary or 60 days of a general election. It might be argued that the law includes the Internet because it can be accessed through cable and satellite systems. But even so, BCRA’s restrictions aren’t triggered until a person spends \$10,000 for election-related communications during the covered election periods.

The new law’s blackout provisions would be exceptionally well-suited for Nevada candidates if it were in effect for this year’s elections. It would begin on August 5 (30 days before the Sept. 3 primary election) and restart on Sept.

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Website, media mix First Amendment right to skewer candidate

(From page 7)

7 (60 days before the general election), leaving only a two-day window for “issue advocacy” communications that can be broadcast outside of the new law’s restrictions.

Trixie doesn’t identify himself on the website, alluding to Herrera’s “legendary” temper as a reason for the privacy. “We’ve seen Dario’s rage...we’ve been told to watch our backs,” Trixie says.

But Rodney Helm recently stepped out from behind the curtain to identify himself as “Trixie,” and to explain that while he could draw personal comfort from the anonymity, he could not rely on it for his personal security. “The best place to hide,” he told an interviewer, “is in the wide open.”

Las Vegas City Life, a weekly that coaxed Helm into the open, noted that Helm had worked in the past as a consultant for Republican candidates. Moreover, after entering his name in an Internet search engine, it discovered that Helm’s career as a stockbroker ended in a securities fraud conviction for accepting kickbacks for pumping the stock of a now-defunct company that manufactured gaming tokens.

On his website and in his recent interview, Helm insisted that he had no personal vendetta against Herrera. “This isn’t personal, it’s the right thing to do,” his website declares. But his animus certainly has its origins in personal experience.

Helm acknowledged that he and his neighbors sought Herrera’s help two years ago to block construction of a Home Depot superstore. Herrera attended a meeting at Helm’s home and agreed the proposed project would destroy the neighborhood. But, in the end, Herrera voted in favor of a zoning revision to allow the store’s construction.

Helm claimed to his interviewer that his website wasn’t meant to exact revenge for the incident. After all, he pointed out, he ultimately sold his home to the Home Depot developer who was “more than generous.”

Mama, let your babies grow up to be lobbyists

In order to earn \$1 million in a single year, you have to get paid \$500 an hour for a normal 40-hour work week with two weeks off for vacation.

With that as a reference point, consider that the top executives in 18 Washington-based trade associations and various other non-profit organizations were paid at least \$1 million in salary and benefits during 2000. They were identified—along with nearly 500 other lesser paid execs—in the March 30 edition of *National Journal*.

The salary data came from the Form 990 tax returns which all non-profit organizations file annually with the IRS. As a condition of their tax-exempt status, federal law requires non-profit groups to furnish copies of their most recent Form 990s to anyone who requests them.

Former energy czar Frank Zarb was the best-paid, collecting over \$6 million in 2000 from the National Association of Security Dealers. The bulk of Zarb’s compensation, the weekly newsmagazine said, was a lump-sum retirement benefit.

Falling directly behind Zarb were Jere Ratcliffe, chief executive of the Boy Scouts of America, who was paid \$2.6 million; and Paul Reid, of the Mortgage Bankers Association of America, who was paid \$1.8 million. For both Ratcliffe and Reid, the payments included hefty lump-sum retirement benefits.

Here are others who made at least \$1 million in 2000: Eugene Upshaw Jr. of the National Football League Players Association, \$1.46 million; John Crum of the American Chemical Society, \$1.45 million; Thomas Wheeler of the Cellular Telecommunications & Internet Association, \$1.28 million; Matthew Flanigan of the Telecommunications Industry Association, \$1.27 million; Jack Valenti of the Motion Picture Association of America, \$1.17 million; Frank Fahrenkopf Jr. of the American Gaming Association, \$1.16 million; Robert Vagley of the American Insurance Association, \$1.16 million; Matthew Fink of the Investment Company Institute, \$1.14 million; Craig Fuller of the National Association of Chain Drug Stores, \$1.14 million; Edward Kavanaugh of the Cosmetic Toiletry & Fragrance Association, \$1.10 million; Robert Sachs of the National Cable & Telecommunications Association, \$1.09 million; Alan Holmer of the Pharmaceutical Research & Manufacturers of America, \$1.07 million; Carroll Campbell of the American Council of Life Insurers, \$1.06 million; Peter Cressy of the Distilled Spirits Council of the U.S., \$1.04 million; and Thomas Donahue of the U.S. Chamber of Commerce, \$1.02 million.

Included in the magazine’s listings were the salaries paid in 2000 to the top executives of several non-profit groups that are involved in the campaign finance reform debate: Charles Lewis of the Center for Public Integrity, \$153,293; Larry Makinson of the Center for Responsive Politics (he’s since been replaced by former FEC general counsel Lawrence Noble), \$102,500; Scott Harshbarger of Common Cause, \$191,290; Jane Gruenebaum of the League of Women Voters, \$92,000; and Joan Claybrook of Public Citizen, \$91,085.



Inside the FEC

(From Page 1)

calculated using the estimated level of activity from previously filed reports. Therefore, the fines may create a hardship for some committees and their treasurers, since many losing candidates lack fundraising ability and their treasurers, who are sometimes volunteers, are legally liable for the fines," the FEC continued.

The administrative fine program began on an experimental basis in mid-1999 after 24% of all FEC-registered political committees failed to meet the deadline for filing their year-end 1998 disclosure reports. The tardiness rate for year-end 2000 reports dropped to 11%.

The FEC credited the administrative fine program for the improvement, and Congress responded by extending the program through the end of the current election cycle.

The proposal to mete out lesser fines for low-dollar political committees came as the program was nearing completion of its 400th case. An April 22 press release that described the latest batch of late-filing penalties said 396 cases had been settled since the program's inception, bringing in a total of \$503,159 in civil penalties.

That would work out to an average of \$1,270 per case. But the average penalty would be higher if the list of 396 cases did not include dozens of political committees that persuaded the FEC to waive payment of a penalty because they raised no money and were insolvent.

Not all political committees got lenient treatment, though. Among fines in the FEC's latest press release were:

* Joyce Marie Griggs, the Democrat who challenged Rep. Jack Kingston (R-Ga.), appeared twice in the list. Her committee was fined \$1,200 for missing the deadline for filing its 30-day post-election report, and \$900 more for missing the year-end reporting deadline. When finally submitted, the re-

ports showed Griggs raised no money during the covered period and the committee had only \$904 left in its account.

* Mike Azinger, the Republican who challenged Rep. Ted Strickland (D-Ohio), was fined \$350 for missing the year-end disclosure deadline by 10 days. The tardy report showed his campaign coffers were empty, and the committee owed \$4,190 to the candidate.

(Azinger's final report revealed the receipt of \$3,000 from the City of Marietta, Ohio, prompting an inquiry from the FEC that noted the potential illegality of accepting a contribution from a municipal government. In reply, Azinger said the money was part of a \$17,000 legal settlement (\$14,000 went to his attorney, he said) arising from a false arrest and imprisonment suit against the city. The city settled the case after agreeing that Azinger did not violate a city ordinance by placing a campaign sign on a sidewalk.)

While reducing the civil penalty formulas for small-size committees, the proposed revisions would also have the affect of an across-the-board reduction of penalties for all political committees.

Under the FEC's current practice, a political committee's entire amount of receipts and disbursements during a covered disclosure period are utilized for calculating the penalty for missing the deadline.

The proposed regulation, however, would omit funds that are collected or used for non-federal election activity from the calculation.

"Using total receipts and disbursements as the basis for the penalty calculation results in higher fines for political committees who finance non-federal activity through their federal accounts," the FEC said.

In its *Federal Register* rulemaking notice, the FEC set a May 28 deadline for public comment on its proposals. Specifically, the FEC invited comment on whether a substantial reduction in penalties for low-dollar political committees would rob the administrative fine program of its effectiveness; and whether the calculation of a political committee's level of financial activity should exclude funds that are used for non-federal election activity.

FEC asks bigger budget for work related to new campaign law

The Federal Election Commission recalculated its financial needs last week and said it will need an extra \$5.4 million to meet its responsibilities under the newly enacted Bipartisan Campaign Reform Act.

Among its various provisions, the new law imposes new campaign finance disclosure obligations on the FEC, and gives the agency strict deadlines to write new regulations that are needed to implement the new law.

The agency has until June 25 to complete action on a regulation to implement the law's ban on "soft money" contributions and expenditures by the national political parties. And the agency has until the end of the year to finish work on other regulations required by other provisions in the new law.

According to budget requests that were sent to Capitol Hill and the U.S. Office of Management and Budget, the FEC estimates that it will need to hire 31 additional staff members to meet the new law's requirements.

In an emergency supplemental request for funds needed during the current fiscal year, the FEC said it needed \$750,000 to acquire additional office space and equipment for the extra employees.

Last month, the FEC requested \$46.9 million and 362 full-time employees for its operations during Fiscal Year 2003 which starts next October 1. But that amount, FEC Chairman David Mason and Vice Chairman Karl Sandstrom said in a letter describing the need for extra funds, "is no longer sufficient."

"In order to accomplish our mandated responsibilities, which include implementing the numerous statutory changes to the Federal Election Campaign Act, the FEC is requesting a total of \$52.28 million and 393 full-time employees," they said.

Below the Beltway

EMILY hates NAFTA, too EMILY's List appeared to break its alliance with the Democratic party last month when it involved itself in a primary election, and blamed a major Clinton Administration trade initiative—the North American Free Trade Agreement—for the loss of thousands of U.S. jobs.

Until now, the PAC has raised millions of dollars for candidates who met a three-prong test: female, Democrat and pro-abortion. Now, opposing NAFTA has apparently been added as a fourth litmus test.

The PAC revealed its anti-NAFTA bias in ads that were run in final days leading to the March 19 Illinois primary election. The ads criticized a Democratic candidate, Rahm Emanuel, for his work on NAFTA while employed as a senior advisor to President Clinton. The ads blamed NAFTA, and by inference Emanuel, for the loss of 11,000 Illinois jobs.

Relying on tv ads in Chicago's expensive media market to trumpet a congressional candidacy is considered wasteful. That wisdom prevailed as Emanuel won the primary, defeating both former State Sen. Nancy Kaszak and the EMILY's List ad campaign and "bundled" contributions that favored her candidacy.

EMILY's List failed to mention in the ads that NAFTA was approved by a 234-200 vote in the House in November, 1993, with the support of a substantial number of Democrats, including 12 who were female and several who received campaign funds through the PAC for their past elections.

In pursuit of education The Landmark Legal Foundation widened its effort to force the National Education Association to disclose political spending that is financed by the dues of its 2.5 million members, asking the U.S. Department of Justice to review the union's filings under the 1959 Labor-Management Reporting and Disclosure Act.

The conservative group's April 22 complaint claims that amounts shown on the union's LMRDA reports don't match internal NEA financial documents that were collected during a Federal Election Commission investigation. Last year, the FEC documents were put on public display until they were sealed by a federal judge's order.

Landmark cited the same documents in complaints it filed last year at the FEC and the Internal Revenue Service, claiming the NEA failed to comply with election and tax laws.

Glass house syndrome An eruption of "issue advocacy" spending in South Dakota drew a protest last month from Senate Majority Leader Tom Daschle. A letter to homestate constituents explained that the attack ads were meant to have an impact on this year's senate election between incumbent

Democratic Sen. Tim Johnson and Republican Rep. John Thune.

Daschle said that "out-of-state interests that cannot win on the Senate floor" have instead directed their "dishonest, attack politics" to his homestate.

But the Family Research Council deflected Daschle's criticism, noting that only 15% of the more than \$2.0 million that Daschle raised last year came from South Dakotans. The rest of the money was collected from out-of-state donors, the group said, citing disclosure reports filed by Daschle's campaign committee and his leadership PAC.

FRC President Ken Connor said Daschle's criticism was insincere. "Sen. Daschle wants to censor outside groups from having a say in his state, people should know the extent to which outside groups are having a say with him."

Daschle recently voted for a campaign reform bill that would prohibit "issue ads" that mention a candidate in a federal election in broadcast communications that can be seen or heard by voters within 30 days of a primary election or 60 days of a general election. If the law were in effect today, the blackout period would begin May 4 for the state's upcoming June 4 primary, and restart on Sept. 7 for the Nov. 5 general election. But it would apply to ads that mention Johnson or Thune—not to Daschle who isn't on the ballot.

Siebel makes a House (and Senate) call Silicon Valley's Siebel Systems Inc. is getting ready to make a hard splash in the political finance pool. The software maker's Egovernment PAC raised almost \$2.1 million since its mid-2001 creation, making it the 18th-ranked PAC in terms of total receipts, and behind top-ranked United Parcel Service among corporate-sponsored PACs.

At year's end, Egovernment PAC contributed \$5,000—all to Republicans—and was poised to meet the last requirement for multi-candidate status which raises its maximum contribution limit to \$5,000 per election. In order to achieve multi-candidate status, a PAC must raise voluntary contributions from at least 50 persons, make contributions (subject to the \$1,000 contribution limit) to at least five federal candidates, and be in existence for at least six months.

Marc Racicot, the former governor of Montana who is now chairman of the Republican National Committee, sits on Siebel's board of directors. Company founder Tom Siebel has been frequent contributor to Republican candidates and committees.

Political fundraising book is published The 2002 edition of the *Almanac of Federal PACs* has just been published by Amward Publications Inc. The reference book, in its 9th biennial edition, provides hard-to-get information about PACs and their sponsoring organizations, including the name and telephone number of contact persons who receive fundraising solicitations. Every PAC that gave \$50,000 or more in the last elections—more than 900 in all—are profiled.

The book is fully described—along with sample pages and a discounted offer—at the *Political Finance* website: <http://www.politicalfinance.org/afp02>