

STEALTH PACs REVEALED

Interest Group Profiles
2000 Election



THE CENTER FOR PUBLIC INTEGRITY

ABOUT THE CENTER FOR PUBLIC INTEGRITY

THE CENTER FOR PUBLIC INTEGRITY, founded in 1989 by a group of concerned Americans, is a nonprofit, nonpartisan, tax-exempt organization created so that important issues can be investigated and analyzed over a period of months and years without the time and space limitations that often constrain the media. Since its inception, the Center has investigated and disseminated a wide array of information in more than sixty published Center reports. The Center's studies are resources for journalists, academics and the general public, with searchable databases, documentation, government records, and other information available as well.

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ISSUE AD WATCH PROJECT OVERVIEW



The 2000 election cycle promised to be a high-stakes and free-spending election by anyone's measure. The balance of power in Congress was in question and the White House was up for grabs. The import of this election cycle meant that interested groups were going to be as active as possible in the election, in as many ways as possible.

Amidst a sea of money and attention to campaign finance issues, the little known and even less-understood "Section 527" of the Internal Revenue Code made a splash and was perceived as the largest dam-bursting hole in the ever-deteriorating campaign finance laws. It promised to be the new battleground for interest group involvement in elections. These new soft money groups fell in between regulation by the Federal Election Commission on the one hand and the IRS on the other, allowing the groups to campaign in anonymity and escape all disclosure requirements.

These soft money groups also enjoyed greater tax advantages for their larger donors and could receive contributions from any source—individuals, unions, corporations, foreign interests or even other governments. With memories of illegal foreign campaign contributions in 1996 still fresh, Section 527 offered a significant opportunity for fundraisers—not only could foreign money be allowed, it would be untraceable.

Only two conditions needed to be met for soft money 527 groups to stay in the shadows: they could not contribute to federal or state candidates or political parties; and they could not use explicit words advocating for or against a candidate, such as "vote for," "elect," "support," "reject," "defeat," "against," "cast your ballot for" or "Smith for Congress." A group meeting these criteria could simply remain outside the oversight of the Federal Election Commission.

One group cloaked in this anonymity attacked presidential candidate Senator John McCain, R-Ariz. It called itself the Republicans for Clean Air, but had neither an office nor a phone number, just a post office box in northern Virginia. The media and Senator McCain's campaign scrambled to identify the group's directors and backers. Less than a week after the ads ran and McCain was defeated on "Super Tuesday," a day of important primary elections in key states, brothers Sam and Charles Wyly, Texas billionaires, one a leading Bush fundraiser, stepped forward and identified themselves as the principals.

The publicity attracted by the Republicans for Clean Air ads contributed to a flurry of activity in Congress. Multiple bills targeting 527 groups were floated around the Senate and House in the spring and early summer until finally, on June 8, McCain's bill passed the Senate. Three weeks later, Republican Rep. Houghton from New York presented his version and it passed the House 385-39. The House considered the measure under procedures ordinarily reserved for non-controversial bills, with debate limited, no amendments allowed and a two-thirds vote required for passage rather than a simple majority.

The bill went back to the Senate on June 29 and passed the same day by an astounding 92-6 vote. There was only brief debate, primarily about whether or not labor unions could be added to the list of groups newly required to register and disclose activity. Republican advocates for reform opted to push through the narrower bill, believing that a broader approach would cost the measure support. The Full and Fair Campaign Finance Disclosure Act of 2000 was the first campaign finance law passed in 21 years. The President signed it into law on July 1, 2000.

The final measure required all Section 527 organi-

zations that spend more than \$25,000 in an election cycle to register with the IRS and report all their contributions and expenditures on a monthly or quarterly basis. While it did not restrict political activity, the intent was to force this new breed of Section 527 groups to disclose to the IRS the same information as groups campaigning for candidates disclose to the FEC.

According to the Campaign for America database of all Section 527 organizations, more than 11,000 groups filed this election cycle.

In the final analysis, the Center found that most Section 527 soft money groups failed to reach their fundraising goals and had less influence than pundits and campaign finance reformers predicted. Very few of the groups expected to be in the \$10 million to \$25 million category came close to their fundraising goals, according to IRS financial records from July 1 through Election Day.

The Center cannot draw definitive conclusions about the effectiveness of these groups because of the lack of disclosure for the first year-and-a-half of the election cycle prior to campaign finance law enactment. The law certainly affected these groups' fundraising and perhaps took the teeth out of their planned campaigns entirely by enabling public awareness of advertisers' identities during the election.

The Center's Issue Ad Watch Project Report of the soft money Section 527 groups draws thumbnail sketches of these political organizations and their impact on the federal campaign process and helps to fill in the picture of interest group activity in the 2000 campaign.

The Center has updated the following group profiles to include newly released IRS campaign finance disclosures, data on broadcast expenditures which the Center obtained from the Campaign Media Analysis Group and summaries of each group's election-related activity for the 2000-campaign cycle.

The Center for Public Integrity spent a year tracking issue advocacy groups, but particularly focusing on the new soft money Section 527 groups created during the 2000-election cycle — following their activity, tracking their donors and identifying where the organizations operated and what they said. The Center also participated in four training conferences for reporters in New York, Washington, D.C., Chicago and Park City, Utah, educating reporters on how to research and track Section 527 groups and issue advocacy campaigns. Campaign finance expert Professor David Magleby of Brigham Young University conducted the training conferences, which were funded by a grant from the Pew Charitable Trusts.

The Center received more than 150 media calls during the campaign on the issue of Section 527 soft money groups. The Center was also cited in more than 50 media outlets nationwide including *U.S. News & World Report*, *The Washington Post*, and *The San Francisco Examiner*.

Marianne Holt
Issue Ad Project Director

INTEREST GROUP PROFILES



Americans for Equality and National Voter Fund

For 91 years, the National Association for the Advancement of Colored People has been a nonpartisan civil rights group. But in 2000, the NAACP spun off two advocacy organizations, the National Voter Fund, a 501(c)(4) nonprofit, and the Americans for Equality, a soft money Section 527 group. The NAACP intended to spend \$9 million to boost black voter registration this election cycle, with most of its money donated from an anonymous source.

The NAACP targeted states where black voters could have a decisive voice. The Voter Fund established offices in more than 12 states, running get-out-the-vote initiatives, placing radio and newspaper ads, sending mailers, and conducting phone banks and a bus tour to ten cities in seven days.

Heather Booth, director of the National Voter Fund, reported at an Urban Institute conference in December that the Fund and Americans for Equality spent \$11 million this election cycle. They telephoned African Americans in targeted states to encourage them to vote playing taped messages from President Clinton and Tom Joyner, a nationally syndicated radio talk show host with ABC radio networks. They paid for mail and radio ads on education, hate crimes, children and racial profiling. The group also registered 200,000 voters, according to Booth.

Their efforts included 80 field organizers in Arkansas, Florida, Georgia, Kentucky, Michigan, Missouri, New Jersey, New York, Ohio, Pennsylvania, Wisconsin, and Virginia. The organizers coordinated 8,000 volunteers who knocked on an average of 40,000 doors per city.

The results? Booth reported that there was an increase of nearly 1 million votes by African Ameri-

cans in 17 targeted states over the 1996 election figures. Booth states that these numbers tipped the balance in Missouri and New York at the presidential level, in Michigan and New Jersey at the Senate level, and at the district level in Adam Schiff and Susan Davis' successful House races in California.

2000 Campaign Finance Snapshot

Period	Contribution	Expenditure
3 rd Quarter	\$ 0	\$1,779,594
Pre-election	\$ 146,040	\$1,596,305
Post-election	\$ 117,181	\$2,593,998
Total	\$ 263,221	\$5,969,897

Data source: IRS Form 8872 Political Report of Contributions and Expenditures

The NAACP ran its advertisements through Americans for Equality and through its ally the Sierra Club, an environmental group. Americans for Equality bought \$500,000 in radio ads in Virginia, Michigan and Kentucky. The ads sharply criticized three Republicans running for election in those states—Virginia Senate candidate George Allen, Sen. Spencer Abraham in Michigan and Rep. Anne M. Northup of Kentucky. Americans for Equality paid Voterlink Data Systems, a political data entry firm, \$310,450 between July and Election Day for assembling a registry of 3 million African Americans the group planned to contact by door-to-door efforts, phone calls and direct mail, according to IRS records. Voterlink Data systems also handled Democrat Hillary Clinton's phone bank and data crunching for her successful Senate bid.

Other organizations were involved in the NAACP's efforts. Two labor organizations, the AFL-CIO and American Federation of State, County and Municipal Employees, contributed to Americans for Equality, according to IRS disclosure records. Jane

Fonda's Pro-Choice Vote, another soft money 527 organization, contributed to Americans for Equality, as did music producer Quincy Jones and the Congressional Black Caucus.

The NAACP received sharp criticism for a controversial \$2 million television ad that targeted presidential candidate George W. Bush. The ad linked Bush, because he did not support expanded hate-crime laws, to the brutal murder of James Byrd Jr., an African American who was dragged to his death behind a pickup truck in Texas in 1998. The ad ran in heavily minority-populated cities like Detroit, Cleveland, and Chicago, among others. Critics claimed that the ad implied that Bush supports racism, but the NAACP defended the ad. "What racism to suggest that African-Americans cannot participate in politics in the same ways and under the same rules as others do!" Julian Bond, NAACP board chairman, said Oct. 30. "Hostile comments to the National Voter Fund's TV ads from the traditional enemies of civil rights — and the misguided statements from those who ought to be friends — are proof that the truth hurts!" Bond added.

Contact Information

Americans for Equality
1225 I Street, N.W., Suite 930
Washington, DC 20005
202-898-0961 phone
202-898-1397 fax



Citizens for Better Medicare Action Fund

The Citizens for Better Medicare Action Fund is a Medicare reform advocacy organization bankrolled almost entirely by the pharmaceutical industry. The group formed as a Section 527 organization in July 1999. CBM said in news media reports that it would spend up to \$40 million in the 2000 election cycle, focusing its effort on attacking Democratic prescription-drug plans. Broadcast data obtained by the Center showed that the group

spent more than \$20 million on television advertisements alone.

2000 Campaign Finance Snapshot		
Period	Contribution	Expenditure
3 rd Quarter	\$ 0	\$8,457,769
Pre-election	\$ 0	\$ 113,040
Post-election	\$ 0	\$ 0
Total	\$ 0	\$8,570,809

Data source: IRS Form 8872 Political Report of Contributions and Expenditures

Executive director Tim Ryan is a former marketing director for the drug industry's lobbying arm, the Pharmaceutical Research and Manufacturers of America, or PhRMA. Ryan acknowledged that the group gets most of its funds from drug manufacturers, but was unwilling to disclose specific amounts. The CBM Web site lists some of its donors, including pharmaceutical corporations, health-care awareness and senior citizen advocacy groups, and university medical and research centers.

Citizens for Better Medicare was deeply involved in the national discussion on campaign-finance reform in the 2000 election cycle — mentioned by Senator John McCain and President Clinton alike as a prime example of a misleading issue-advocacy campaign that had escaped disclosure. Public Citizen, a public health and safety watchdog founded by Ralph Nader, released a report on the Citizens for Better Medicare in June 2000 calling it a front group for the pharmaceutical industry.

According to broadcast records obtained by the Center, the group ran television advertisements throughout the election cycle in 30 states on bipartisan House and Senate bills expanding drug benefits for senior citizens. Some ads attacked Democratic members of Congress who escorted groups of senior citizens into Canada to purchase less expensive prescription drugs and supported drug price controls for the elderly. CBM spent an average of \$400,000 per market on more than 30,000 adver-



tisements run in the 2000 election cycle.

Deputy Director Laura Dove declined comment on the organization's specific campaign efforts this cycle.

According to *The Washington Post*, Citizens for Better Medicare is abandoning its 527 tax status in part to avoid the recent disclosure law enacted last summer. It's re-organizing itself as a 501(c)(4) advocacy organization. CBM reported no contributions to the IRS for the third quarter, but did report spending \$8.5 million during this period, with almost the entire amount going to National Media, a Republican broadcast media production firm in Alexandria, Virginia. Alex Castellanos, a strong-arm in the political advertising world, heads National Media. Castellanos' previous clients include the Republican Party, Senator Jesse Helms, R-N.C., and George Bush's 1992 presidential campaign.

Contact Information

Citizens for Better Medicare Action Fund
1615 L Street, N.W., Suite 900
Washington, DC 20036
202-872-8627 phone
202-466-6002 fax
www.bettermedicare.org



Citizens for the Republican Congress

Though this group publicized a \$35 million fundraising drive to promote the GOP agenda in 30 districts, IRS records filed by the Citizens for the Republican Congress indicate that the group neither raised nor spent any money the second half of 2000. According to its filing with the IRS, the organization was created to "educate the public in support of the Republican legislative and public policy issue agenda in the Congress of the United States, and to promote the political and philosophical objectives of the Republican Members of Congress without engaging in express advocacy for the

election of any clearly identified federal candidates."

In August 1999, former member of Congress Pat Saiki, R-Hawaii, established Citizens for the Republican Congress as a Section 527 organization, and reportedly shopped image ads for a planned massive advertising campaign to Republican leaders. The prospective ads touted the party's role in tax cuts and welfare reform. Cleta Mitchell, the group's attorney, told the Center early on in the election cycle that Citizens for the Republican Congress wasn't actually going to be active this cycle and that the financial goals of the group reported in the press were misleading.

Contact Information

Citizens for the Republican Congress
900 Second Street, N.E., Suite 200
Washington, DC 20002



Club for Growth

In April 1999, the New York-based free-market group Club for Growth spun off a Section 527 organization to conduct political fundraising. The group has been around since the late 1980s and includes Wall Street investors, media executives and fiscal-policy experts who planned to raise and spend \$10 million to oust members of Congress who oppose free-market policies. The Club supported 15 Republican candidates in close races this election cycle:

Winners:

- Jeff Flake (AZ-01)
- Ric Keller (FL-08)
- Mark Kirk (IL-10)
- Mike Pence (IN-02)
- Mike Rogers (MI-08)
- Denny Rehberg (MT-all)
- Melissa Hart (PA-04)
- Pat Toomey (PA-15)

Losers:

- Jim Rogan (CA-27)
- Mark Nielsen (CT-05)
- Dylan Glenn (GA-02)
- Phill Kline (KS-03)
- Spence Abraham (Mi-Sen.)
- Rick Lazio (NY-Sen.)
- John Koster (WA-02)

The Club supported candidates with bundled individual contributions forwarded to the candidate and

issue-ad campaigns paid for by the Club. The Club's success record was mixed: Eight endorsed candidates won, and seven lost their contests.

2000 Campaign Finance Snapshot		
Period	Contribution	Expenditure
3 rd Quarter	\$ 216,620	\$ 115,496
Pre-election	\$ 323,208	\$ 353,799
Post-election	\$ 172,498	\$ 346,551
Total	\$ 712,326	\$ 815,846

Data source: IRS Form 8872 Political Report of Contributions and Expenditures

The Club fell short of its publicized \$10 million dollar fund-raising goal, raising \$712,326 and spending \$815,846 between July 1 and Election Day, according to financial reports filed with the IRS. This does, however, leave out any money contributed or spent before the disclosure law was enacted on July 1, 2000. The Club touted its successes and spending in a few races.

Club members contributed \$138,000 to Republican Jeff Flake in Arizona's 1st District. The Club reported running over \$50,000 in radio advertisements and a phone-bank effort of 75,000 calls during the five days before the election.

The Club also bragged about its efforts in the Republican primary race for the Florida 8th District open seat, claiming victory for Ric Keller's primary win against party veteran Bill Sublette. The Club contributed \$20,000 to Keller and ran a \$90,000 television and radio ad campaign and a 40,000-call phone-bank effort four days before the special run-off between Keller and Sublette. Keller said he was "just thrilled to have pro-business people backing me." Keller said the assistance from the Club provided him a chance to "fight fire with fire." Keller ended up winning the general election by fewer than 4,000 votes.

The Club was also involved in the New Jersey 5th District Republican primary contest between mod-

erate incumbent Rep. Marge Roukema and conservative challenger State Assemblyman Scott Garrett. The Capitol Hill newspaper *Roll Call* reported that the group planned to spend \$75,000 to \$100,000 on issue ads attacking Roukema. Club members contributed more than \$70,000 to Garrett's campaign. Roukema received support from another 527 organization, the Republican Leadership Council. She won the primary, as well as her general election race against Democratic challenger Linda Mercurio.

The Club's involvement in Republican primaries like the New Jersey 5th District and the Florida 8th District sparked consternation among the GOP House leadership.

House GOP leaders told the Center for Public Integrity that the Club was ruffling feathers on the Hill because of advertising campaigns targeting Republican candidates that don't hold the same fiscally conservative views as the Club for Growth.

Rep. Jim Greenwood, R-Pa., attended a meeting on March 30, 2000 with Club for Growth members and other representatives, including Fred Upton, R-Mich., Nancy Johnson, R-Conn., and Tom Davis, R-Va., who chairs the National Republican Congressional Committee, which raises money for GOP congressional candidates. Greenwood said of the meeting: "Our purpose was to say that if you want a pro-economy Congress, then we have a common cause. But we think you [the Club for Growth] perhaps misinterpreted the record of fiscal and financial conservatives that are culturally moderate and those that are actually not pro-growth. I told them that their efforts were contrary to their own plans to target Republicans in primaries."

Founding members of the Club for Growth include *National Review* magazine president Thomas "Dusty" Rhodes, Wall Street stockbroker Richard Gilder and Stephen Moore, president of the Cato Institute, a libertarian think tank. Of the founding members, only Gilder anted up major cash to support Club for Growth's efforts, contributing



\$150,000 to the organization, according to IRS financial reports.

Contributions varied from fiscally conservative grassroots support to big bucks from financial firms. CEO Harlan Crow of Crow Family Holdings contributed \$75,000, Joseph DiMenna of Zweig-DiMenna Association contributed \$50,000 and Richard Weiss of Strong Capital Management contributed \$40,000. The average contribution by the 154 donors was less than \$5,000, according to financial records from July to November 2000 at the IRS.

The Club also contributed its money to other conservative causes. It gave the American Conservative Union \$34,000 and the Michigan Chamber of Commerce \$50,000.

Contact Information

Club for Growth
 1776 K Street, N.W., Suite 300
 Washington, DC 20006
www.clubforgrowth.org



Coalition to Protect Americans Now, Inc.

Created in March 2000, the Coalition to Protect Americans Now raised funds and ran attack ads critical of the Clinton administration defense policies. The coalition presents itself as a group of "ordinary citizens who want to send a message to our political leaders that it is time to protect Americans from missile attack — now." The message that the Clinton administration left America vulnerable to nuclear attack was sent through ads that ran in Washington, D.C., New Jersey and elsewhere. A closer look at who funds the coalition reveals that these are not just ordinary citizens, but wealthy conservative activists. Billionaire heiress Helen Kriebler, daughter of the late sugar king Robert Kriebler, founded and bankrolls most of the group's operations.

Kriebler financed the first \$100,000 ad buy criticizing the Clinton administration's defense policy. The Kriebler family sponsored other conservative movements, including Newt Gingrich's leadership PAC, GOPAC, the Club for Growth and other conservative efforts.

According to media reports, Helen Kriebler donated a total of \$250,000 in seed money to the coalition earlier in the year; Kriebler's mother, Nancy, also contributed \$200,000, according to IRS records.

Other founders include Frank Gaffney, adviser on defense issues for President Reagan, and Henry Cooper, who directed the Strategic Defense Initiative ("Star Wars") under Reagan. Thomas Mead is the executive director and is a former missile-defense policy analyst at the conservative Heritage Foundation. According to its inaugural press release, the coalition is "dedicated to immediately beginning the deployment of effective missile defenses."

At a press conference early into the presidential campaign, the group urged George W. Bush to initiate a sea-based anti-missile system and voiced its dissatisfaction with the Clinton administration's position on this issue. "Unfortunately the Clinton/Gore administration has delayed the development of effective anti-missile systems and proposes not to deploy any protection for the American people until 2005 at the earliest. The American people deserve and expect to be protected now," the press release said.

The coalition launched a second advertisement in

2000 Campaign Finance Snapshot		
Period	Contribution	Expenditure
3 rd Quarter	\$ 220,000	\$ 231,685
Pre-election	\$ 0	\$ 1,744
Post-election	\$ 0	\$ 11,535
Total	\$ 220,000	\$ 244,964

Data source: IRS Form 8872 Political Report of Contributions and Expenditures

late July praising Bush and attacking Al Gore for his stands on a national missile defense system. Just days after the ad run began, Bush announced his support of a missile defense system. The ad buy in Pennsylvania, New Jersey and Washington cost over \$115,000, according to data from broadcasters. According to IRS financial records, the coalition raised \$220,000 and spent \$244,964 since the disclosure policy was enacted in July.

Executive Director Tom Meade could not be reached for comment. CPAN's phone has been disconnected, but Craig Shirley & Associates, CPAN's press relations firm, is taking calls.

Contact Information
Coalition to Protect Americans Now, Inc.
1606 Belle View Blvd., No. 310
Alexandria, VA 22307
Craig Shirley & Associates:
800-536-5920
www.protectamericansnow.com

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Council for Responsible Government

The Council for Responsible Government is a conservative Section 527 group that planned to raise \$3 million for issue advertisements in the election cycle. It stands for "traditional moral and cultural values, free market economics and greater accountability of elected official to people," according to IRS records.

The council is made of three volunteers. Spokesman William Wilson works full-time for U.S. Term Limits, an interest group that planned to run a \$20 million campaign in the 2000 election cycle. Candidates refusing to sign the group's term limits pledge often face stiff television, radio and direct mail campaigns criticizing the candidates' refusal to sign. Chairman Gary Glenn is a former Idaho county commissioner and is also president of the

anti-gay rights, anti-pornography and anti-abortion American Family Association in Michigan. William Hillman from Pennsylvania is the Council's vice chair.

The council was created prior to the summer's disclosure law and has subsequently filed a statement of organization with the IRS, but no financial disclosure reports.

Previous interviews conducted by the Center revealed that the Council targeted two Republican candidates in Idaho and New Jersey.

The council attacked Gov. Butch Otter, Republican congressional candidate in the Idaho first district in television ads alleging he was soft on pornography and drugs, "having a left-winged stance on every social issue," according to the council's press release. Otter convincingly won the state primary and the general election. It is possible that the motivation for this attack was personal; there was a very public feud reported between Otter and Glenn during Glenn's time in Idaho.

The council also targeted New Jersey Assemblyman Joel Weingarten during his primary run for the Republican Party nomination for the open seat Bob Franks vacated in northern New Jersey. The council attacked Weingarten as "pro-tax" and "spend." Weingarten lost his primary bid. Both the Otter and Weingarten campaigns told the Center for Public Integrity that the allegations raised by the council were baseless.

The council did not campaign for or against any candidates in the general election.

Contact Information
Council for Responsible Government
5275-F Burke Center Parkway, No. 325
Burke, VA 22015



Faith and Family Alliance

The Faith and Family Alliance is a Section 527 group established in February 1999 that made its first and only political appearance in the June 2000 Virginia primary. It sent out 40,000 fliers in the 7th Congressional District of Virginia that criticized state Del. Eric Cantor, who vied for the Republican nomination against state Sen. Stephen H. Martin.

The mailers and this group were actually closely associated with the Martin campaign. According to the organization's incorporation papers, Martin's campaign manager, Philip J. Cox, created the Alliance, listing his home address as the headquarters. Prominent Republican attorney James Bopp Jr. is listed as the incorporator.

The mail piece claimed that a business partner sued Cantor for fraud and that Cantor bounced large checks. It reads: "Millionaire lawyer Eric Cantor says he wants to cut your taxes ... but he didn't pay his own." Cantor's camp denied the allegations, while Martin decried the negative independent expenditure. Martin lost the election by a slim margin of 300 votes.

Cox later told the press he had resigned from Faith and Family Alliance in April 2000, before the mailers were sent out, to devote more time to the campaign and had no prior knowledge of the mailers.

Although the Alliance has filed a Notice of Organization with the IRS, no financial information has been submitted. This suggests three possibilities. First, the group may have chosen not to disclose its funding in hopes that the law will be challenged in court and found unconstitutional. Secondly, the group might not meet the minimum required annual expenditure amount of \$25,000 and therefore would not have to disclose financial activity to the IRS. Or thirdly, the group might not have received contributions or made expenditures since July 1, 2000.

Contact Information

Faith and Family Alliance
P.O. Box 11644
Richmond, VA 23230



Million Mom PAC

This past Mother's Day, hundreds of thousands gathered on Capitol Hill to participate in the Million Mom March. The group organized under Section 527 a month after the march, supports gun control and participated in six hotly contested House races this election cycle where gun control was a central issue.

The group received one undisclosed donation of \$1 million. Financial disclosure records with the IRS do not identify the anonymous donor because the donation was made before the summer's campaign finance legislation was enacted. Andrew McGuire, the PAC's director and former Mothers Against Drunk Driving director, told the press that the money was to be used for issue advertisements and grassroots get-out-the-vote drives wherever gun control was a deciding issue.

2000 Campaign Finance Snapshot

Period	Contribution	Expenditure
3 rd Quarter	\$ 200,000	\$ 750,000
Pre-election	\$ no report	\$ no report
Post-election	\$ 0	\$ 100,000
Total	\$ 200,000	\$ 850,000

Data source: IRS Form 8872 Political Report of Contributions and Expenditures

The *National Journal* reported that the Million Mom movement already had 250 chapters and 80,000 names on the mailing list that could facili-

tate grassroots organization and get out the vote efforts by the time the PAC was created.

Financial disclosures filed with the IRS show the PAC paying all of its \$850,000 in expenditures to the Edison Group in Atlanta. The reports also revealed that the PAC received only one contribution since July 1, a \$200,000 contribution from the Campaign for a Progressive Future. The campaign, an independent organization concerned with gun control, defended House candidates under attack by the National Rifle Association in the 2000 election cycle. During the period 15 days before and after the election, the Million Mom PAC returned \$18,000 to the Campaign for a Progressive Future, according to the IRS reports.

According to the Million Mom March Web site, the group has five goals: "(1) licensing of handgun owners (2) registration of handguns (3) creating consumer product safety standards for guns (4) closing the 'gun show loophole' and (5) limiting gun purchases to no more than one a month."

Contact Information

Million Mom PAC
San Francisco General Hospital
Bldg. 1, Room 300
San Francisco, CA 94110
415-821-8200 phone
vwww.millionmomsmarch.org



Pro-Choice Vote

Actress and political activist Jane Fonda is **A**bankrolling a new soft money Section 527 group this election cycle that was organized for the sole purpose of funding other interest groups. Pro-Choice Vote organized in September 2000 and has received three checks from Fonda, the sole donor, totaling \$12,235,000.

The group, whose stated purpose is to "educate the public about the issue of choice in the election,"

spent more than \$11 million during the election, funding other state and national abortion rights organizations. Planned Parenthood received \$6.2 million; League of Conservation Voters received \$500,000; NARAL (national and four state affiliates in Pennsylvania, Missouri, Minnesota and Washington) received more than \$3 million; Voters for Choice State and Local received \$1.3 million; Americans for Equality, the NAACP's political action organization, received \$20,000, and two Democratic Party accounts in Michigan and New York, received \$20,000 each.

2000 Campaign Finance Snapshot

Period	Contribution	Expenditure
3 rd Quarter	\$11,735,000	\$ 9,054,000
Pre-election	\$ 0	\$ 2,095,332
Post-election	\$ 529,150	\$ 1,003,278
Total	\$12,264,150	\$12,152,610

Data source: IRS Form 8872 Political Report of Contributions and Expenditures

Contact Information

Pro-ChoiceVote
1025 Connecticut Ave., N.W., Suite 205
Washington, DC 20036



Republicans for Clean Air

Republicans for Clean Air created a stir just before the March 7 Super Tuesday primaries. The group appeared out of nowhere and dropped \$2.5 million in television ads in the key primary states of California, Ohio and New York, praising George W. Bush's environmental record while condemning John McCain's.

After an intense search conducted by the McCain camp and the media, Sam and Charles Wyls stepped forward and took credit for the organization and the advertisements. The Wyls are Texans and long-time Bush supporters. Charles Wyls



was a top fundraiser for the Bush campaign. The Wyllys hastily created the group to conduct the attack issue advertising campaign against McCain at a time when his presidential bid was looking more hopeful.

Speaking for his campaign, Bush denied any collaboration with the group. McCain filed a complaint with the Federal Communications Commission, arguing that the Republicans for Clean Air did not exist before the ads ran, and conducted no other activity other than running the broadcast ads. The Arizona senator said the ads should have identified the accurate source of the ads — the Wyly brothers — and not a front group. McCain filed another complaint with the Federal Election Commission, urging it to determine whether the Bush campaign and the advocacy group were guilty of illegal coordination. Neither federal agency has completed its investigation. According to IRS campaign finance records, the Republicans for Clean Air conducted no activity after July 1, 2000.

Contact Information

Republicans for Clean Air
1155 21st Street, N.W., Suite 300
Washington, DC 20036



The Republican Leadership Coalition

The Republican Leadership Coalition is a Section 527 group that was formed in June 1999 by veteran Republican consultant Scott Reed, who began his career with the Christian Coalition and was a top consultant for Bob Dole's presidential bid in 1996. This election cycle, the RLC tried to win over the Hispanic vote and influence the Republican platform.

In early 2000, the coalition conducted focus group research, testing education and health care issues with the Latino population in Arizona, California, Florida, New Mexico and Indiana. Reed told the Center for Public Integrity during the campaign that

2000 Campaign Finance Snapshot

Period	Contribution	Expenditure
3 rd Quarter	\$ 222,452	\$ 540,810
Pre-election	\$ 613,330	\$ 985,083
Post-election	\$ 738,689	\$ 687,296
Total	\$ 1,574,471	\$ 2,213,189

Data source: IRS Form 8872 Political Report of Contributions and Expenditures

he intended to spend \$3 million to \$4 million on Spanish television and radio ads in these five states on health care and education.

The group, according to Reed, "promotes ideas to help the Republicans maintain a majority." He called the group "wildly successful" in its campaign efforts this cycle including influencing George W. Bush to endorse the "Fair Care" health care proposal created by Senators Bob Smith, R-N.H., and Wayne Allard, R-Colo. The proposal would broaden drug benefits to all taxpayers by increasing the Medicare deductible to \$675 a month. This proposal would also give nearly \$3,000 in tax credits to uninsured individuals.

The campaign was initially funded by undisclosed sources. Insurance tycoon J. Patrick Rooney was the only donor Reed would confirm for the Center. Reed told the Center the coalition also used fundraising lists and direct-mail campaigns targeting Republican-leaning activists. According to IRS financial disclosure records, the group received more than \$1.5 million in contributions from more than 41,300 donors between July 1 and Election Day. The average size of the donation was less than \$40 dollars.

The coalition spent \$2.2 million between July 1 and Election Day advertising in Latino markets and running issue ad campaigns in New Jersey and New York, according to data from broadcasters. The RLC also attacked Rep. Shelley Berkley, D-Nev., for her position on prescription drugs. Berkley did not support a Republican-backed bill controlling

the price of prescription drugs for Medicare patients. The text of the ad stated that "when it came time for Shelley Berkley to support prescription drugs for seniors, she turned her back and walked out." Despite the barrage, Berkley defended her record on health care, supported a Democratic health care bill that emphasized lower premiums and in November won re-election.

The group also aired ads in upstate New York touting senatorial candidate Rep. Rick Lazio, R-N.Y., as a "leader in New York fighting for issues that are important to New Yorkers." Lazio failed in his challenge against Hillary Clinton for the open Senate seat. The coalition was named in the "No Soft Money Pledge" that Lazio and Clinton signed to stop issue-ad expenditures in their senatorial race.

The coalition also ran more than \$100,000 in advertisements criticizing Gore for his Social Security proposal. The ads played in Florida and Pennsylvania.

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Republican Leadership Council

Many recognizable Republican names, including Sens. Robert Bennett, R-Utah, Ben Nighthorse Campbell, R-Colo., and Arlen Specter, R-Pa., sit on the advisory board of a moderate Republican group that opened a separate soft money 527 fund this past election cycle. The Republican Leadership Council planned to spend more than \$1 million through the 527 fund on ads promoting the U.S. Senate candidacy of Rep. Rick Lazio, R-N.Y., and other Republicans in tight races. According to the IRS data, the RLC raised \$3 million and spent \$2.9 million between July 1 and Election Day.

The group was formed in 1997 to pull the Republican Party to the center. It was modeled after the Democratic Leadership Council, which was created 16 years ago to develop centrist policy prescriptions for the Democratic Party. While governor of Arkansas, Bill Clinton chaired the DLC, and current members include Sen. Joseph Lieberman, D-Conn., and House Minority Leader Richard Gephardt, D-Mo.

2000 Campaign Finance Snapshot		
Period	Contribution	Expenditure
3 rd Quarter	\$ 1,617,630	\$ 1,193,551
Pre-election	\$ 396,500	\$ 637,745
Post-election	\$ 1,045,600	\$ 1,149,219
Total	\$ 3,059,730	\$ 2,980,515

Data source: IRS Form 8872 Political Report of Contributions and Expenditures

The RLC is more active in issue advocacy campaigns than its Democratic counterpart and was criticized for picking sides in Republican primaries. Earlier this year, the RLC spent \$200,000 targeting magazine publisher Steve Forbes' presidential bid. Forbes filed a complaint with the Federal Election Commission claiming illegal coordination between George W. Bush's presidential campaign and the group.

Many of the RLC's committee members were also leading fundraisers for Bush. The RLC claimed there was no coordination between the Bush campaign and the RLC's ad campaign.

The group was also active in the New York and New Jersey Senate races. In New York, the Council used a sound bite from President Clinton to support Lazio's bid against the First Lady. The \$100,000 ad buy ran in June and featured the president commending Lazio's bipartisan work on health care.

In New Jersey, the RLC ran more than \$428,000 in television and radio advertisements against Demo-



cratic millionaire Jon Corzine. The RLC charged Corzine, former chairman of Goldman Sachs, with reckless spending plans that would hurt New Jersey working families and criticized him for not publicly releasing his tax returns.

The group also jumped into the hot New Jersey Republican congressional primary between incumbent Rep. Marge Roukema, who was seeking reelection, and Assemblyman Scott Garrett. The RLC defended Roukema with \$100,000 worth of ads after another conservative 527 group, the Club for Growth, ran more than \$30,000 in ads portraying Roukema as a liberal. The Club for Growth ads claimed that Roukema led a "double life ... pretending to be a conservative ... but vot[ing] like a liberal."

RLC's Miller told the Center that it was "unfortunate that groups purporting to advance the interests of the Republican Party decided to attack elected GOP officeholders at a time when our razor-thin House majority hangs in the balance." Roukema narrowly defeated Garrett.

Since 1997, the arm of the RLC that was disclosing its fund-raising and expenditures to the Federal Election Commission reported raising more than \$600,000 and disbursing \$108,000 directly to candidates. Matt Well, spokesman for the group, told the Center the names listed on the steering and executive committees were the donors, though he declined to reveal how much had been raised.

Committee members included Edgar Bronfman, Seagram's liquor magnate; Julie Finley, a Washington socialite dubbed by *The New York Times* as the "belle of the soft money soiree"; Lewis Eisenberg, a New York executive of Granite Capital International Group and top GOP donor who created and heads the council and financier Henry Kravis. "We go above and beyond the law by even making our donors public," Well told the Center. "The bottom line is that we comply fully with the law. We were a 527 long before the phrase was in the lexicon, and we aren't going anywhere."

Contact Information

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The Republican Majority Issues Committee

The Republican Majority Issues Committee is one of three fund-raising groups identified with House Majority Whip Rep. Tom DeLay, R-Texas. The three groups were the subjects of a Democratic Congressional Campaign Committee lawsuit filed last summer that charged DeLay with civil racketeering. The suit accused DeLay of extorting campaign contributions from corporations and wealthy Republican donors and funneling money through these three secretive groups into the election.

DeLay and his associate, Karl Gallant, a former DeLay adviser and former lobbyist, created RMIC to act as a vehicle for unlimited and undisclosed contributions with the goal of countering labor unions. The committee was formed in 1999 and announced it planned to raise \$25 million in \$3 million chunks. Because of the Democratic lawsuit and DeLay's association with the group, the committee received more attention than any other soft money Section 527 organization.

The campaign finance disclosure law enacted last year opened a small window on DeLay's secretive fund-raising efforts. According to IRS records, it spent \$914,000 and raised \$689,000 after July 1, 2000. These records only included activity conducted after the law's enactment, but showed that fund-raising efforts shifted from the group's anticipated \$3 million donations to smaller individual donations. There were over 500 donations on record at the IRS.

Notable donors included Richard DeVos, Amway

founder, who contributed \$150,000, and John Walton, son of Wal-Mart magnate, Sam Walton, contributed \$100,000. Records also show that the committee paid DeLay's daughter, Dani Ferro of Coastal Consulting in Sugarland, Texas, \$27,500 to help with fund-raising efforts.

2000 Campaign Finance Snapshot		
Period	Contribution	Expenditure
3 rd Quarter	\$ 482,240	\$ 350,565
Pre-election	\$ 163,932	\$ 221,001
Post-election	\$ 43,341	\$ 343,008
Total	\$ 689,513	\$ 914,574

Data source: IRS Form 8872 Political Report of Contributions and Expenditures

Some of these celebrities bankrolled the committee's inaugural event in the summer of 1999. Betsy and Richard DeVos hosted the event on the Potomac River, aboard Amway's yacht. The event was attended by such conservative luminaries as House Republican Conference Chairman J.C. Watts Jr., R- Okla., House Speaker Dennis Hastert, R-Ill., and House Majority Leader Dick Armey, R-Texas. James Bopp, attorney for the Republican Majority Issues Committee, also represents other conservative groups, such as the Christian Coalition, the National Right to Life Committee and the Faith and Family Alliance.

The committee initially planned to focus on 20 to 25 key congressional districts, mimicking the get-out-the-vote efforts of the AFL-CIO, by identifying the "conservative core," according to DeLay. Fundraising problems forced the group to focus on fewer races. It also dropped plans to place broadcast ads and instead concentrated on direct-mail campaigns and voter identification.

One target was party-switcher Michael P. Forbes of New York, who had become a Democrat after one term in office, contending that the GOP had become too extreme. In advertisements and fliers

sent to Democratic voters' residences, the committee used Forbes' own conservative voting record against him. The group's advertisements cited Forbes' endorsement of former House speaker Newt Gingrich and the Contract with America. The ads asked voters to "Call Congressman Forbes and tell him you are proud he stood by Newt Gingrich in his first year."

The committee also targeted the Utah 2nd District race between Republican Derek Smith, who beat incumbent Merrill Cook in the party primary, and Democrat Jim Matheson. It spent \$50,000 on direct mail criticizing Matheson for taking money from the Human Rights Campaign Fund because it supports legalization of gay marriages. Matheson defended himself by stating that he does not support homosexual marriages. Despite the group's efforts to portray Matheson as an extreme liberal, Matheson beat Smith.

Gallant, the committee's director, told the press that the new law and the racketeering suit filed last summer by House Democrats made it more difficult to raise large sums from corporations and other sources. He told *The Washington Post* that "it hasn't exactly been the halcyon fields of fund raising for me during the last few months. But RMIC has been able to attract many substantial ideological conservative donors who have not only allowed us to build up our existing war chest but will stay with us for the long haul in future election cycles."

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Saving America's Families Everyday (SAFE)

In October 1999, Rep. J.C. Watts, R-Okla., House Republican Conference Chairman, launched Saving America's Families Everyday.



2000 Campaign Finance Snapshot

Period	Contribution	Expenditure
3 rd Quarter	\$ 61,000	\$ 91,241
Pre-election	\$ 0	\$ 0
Post-election	\$ no report	\$ no report
Total	\$ 61,000	\$ 91,241

Data source: IRS Form 8872 Political Report of Contributions and Expenditures

Since October 1999, SAFE had raised a little more than \$300,000, with almost all of the fund raising conducted over the phone rather than in big events. The organization filed with the IRS as as Section 527 and reported receiving \$61,000 and spending \$91,241. Two-thirds (\$67,000) of SAFE'S money went to the political polling firm of Fabrizio-McLaughlin Associates, of Alexandria, Virginia, during that period.

Executive Director Tim Crawford told the Center that SAFE doesn't conduct advocacy campaigns, but the group is "trying to find out what people identify as Republican when they think of a certain issue. We share those results with the Republican members. That is it. We aren't involved in issue advocacy."

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