

Campaign-finance bill about to debut in Ohio House

Measure raises caps, blacks out some ads

Sunday, December 05, 2004

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Columbus - House Republicans are about to unveil a comprehensive campaign-finance-reform bill that would dismantle the fund-raising apparatus their own leader used to raise millions of dollars and consolidate power.

After nine contentious hearings before the House State Government Committee, Republicans will release a rewritten bill on Tuesday that would end the practice of permitting elected officials to "bank" money in county political party accounts to circumvent contribution limits.

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It also proposes quadrupling the donation limit to candidates, and instituting a 30-day blackout period before elections on ads financed by corporate and union treasuries.

Certain to raise eyebrows is the recommendation to raise the ceiling on candidate contributions from \$2,500 to \$10,000. Republican legislators believe the increase is necessary to deter the hide-the-money tactics perfected by their leader, House Speaker Larry Householder.

Representatives of the League of Women Voters of Ohio and Ohio Citizen Action agree that some increase is inevitable, "but quadrupling it sounds like a lot to me," said Scott Britton, the League's executive director. "It depends on the whole collection of proposals."

Republicans also hope to at least partially allay open-government advocates' concerns about the impact of corporate money by banning so-called "electioneering communications" financed by corporations or unions 30 days before an election.

Corporate and union political action committees, which are not funded by profits and to which individuals donate voluntarily, would not be restricted in any way.

Still on the table late last week, however, was a proposal that would, for the first time in nearly a century, allow corporate contributions to what are now known as political party operating accounts. The money could be used only for limited purposes such as hiring staff and paying utilities.

Those accounts have been closed, but were misused in Montgomery County to secretly hire Householder's aides to promote the speaker's hand-picked successors for leadership positions. The new bill proposes to open operating accounts to public scrutiny.

The provision to curtail ads by so-called "issue-advocacy" groups 30 days before an election, while also requiring full disclosure of the groups' contributions and expenditures, troubles Bill Todd, a lawyer who represents the Ohio Chamber of Commerce.

"Maybe we're allowing the political establishment to control the agenda too much by silencing independent groups," he said. "If they're truly independent . . . why can't the public hear those ideas at a time when they're most likely to listen, which is just before an election?" "Maybe we're allowing the political establishment to control the agenda too much by silencing independent groups," he said. "If they're truly independent . . . why can't the public hear those ideas at a time when they're most likely to listen, which is just before an election?"

The proposed 30-day ban would parallel the federal McCain-Feingold law, which was upheld last year in a 5-4 Supreme Court decision. The ruling has been derided by some First Amendment purists, including former Whitewater independent counsel Kenneth Starr, who accused justices of depicting the nation's campaign system as "a Jurassic Park in pinstripes."

Records drafted by Householder's top aides show that Starr's quip about political carnivores aptly describes Ohio's fund-raising landscape since Householder became speaker in 2001.

Plain Dealer stories this year have revealed how Householder and his allies shook down businesses and lobbyists while legislation they sought was pending; drafted plans to destroy enemies; used secret party accounts to fund races and promote allies for leadership positions; coordinated political campaigns with issue groups; and stashed money in state candidate funds with the agreement that the speaker would get 80 percent of the money back.

The scandal has led to a criminal investigation of Householder by the FBI and IRS. It also led to demands for campaign-finance reform, putting incoming House Speaker Jon Husted and his leadership team in the awkward position of drafting a bill that tacitly criticizes Householder even though it requires his support during the lame-duck session.

"It's scandalous," said Greg Coleridge of the Northeast Ohio American Friends Service Committee, a Quaker social-action group. He said Householder is "trying to carry water for something, and a good argument can be made that he's as responsible as any for many of the provisions - as well as the sense of urgency - for passage of this bill."

Householder acknowledged that he asked his chief of staff to tell Rep. Kevin DeWine, the bill's House manager, to slow the legislation down. But he denied claims made by other Republicans that he is trying to scuttle the bill.

"We want to do tort reform first, then campaign-finance reform," Householder said in an interview.

Householder said he opposes the abolition of state candidate funds, saying they allow rural counties "to participate in the political process." He is virtually the only politician in Ohio still denying that he has "parked" money from wealthy out-of-town donors in those county accounts, knowing that the counties will forward most of the money to him. Detailed memos written by Householder's aides show otherwise.

Controversy involving corporate-financed groups such as Citizens for a Strong Ohio, which helped deliver Republicans a 6-1 GOP majority on the Ohio Supreme Court last month, has overshadowed what many consider to be the major strength of the bill.

Sen. Randy Gardner, the Bowling Green Republican who has led reform efforts in the Senate, said he and DeWine agree that the final bill will mandate prompt disclosure of "every dime in every account."

"The disclosure is going to be sweeping," Gardner predicted.

Less clear is the fullness and manner of that disclosure.

Catherine Turcer, legislative director for Ohio Citizen Action, which issues reports mined from campaign-finance data, has been pressing for the bill to require county parties and candidates that receive more than \$10,000 to file reports electronically with the secretary of state.

She also wants a requirement that campaign committees include information on donors' occupations and employers to better track individual contributions that come from the same employers.

All participants agree that the one thing the bill will not, and cannot, do is address an issue that came to the fore during the recent presidential election. Wealthy donors such as Cleveland insurance tycoon Peter Lewis pulled out their checkbooks and wrote checks for millions of dollars of TV advertising.

"Is this another unintended consequence, if you're going to let some people speak out while other people are muzzled?" Todd asked, referring to the proposed 30-day blackout period. "If I can raise money from 2,000 people to run an ad, I can't do that. But if I can write the check myself, I can. Why is that?"

The new law may be imperfect, but that doesn't mean legislators shouldn't give it their best try, responded Gardner.

"Just like with McCain-Feingold, . . . there are some consequences to reform," he said. "To me, that doesn't mean we should walk away from reform. We should acknowledge it and do the best we can."

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