

'Dark' campaign money needs a little light

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It's time politicians are honest with voters about who is funding campaigns. After the November election would be too late.

By George Skelton Capitol Journal
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There's bipartisan agreement in California's Capitol that hiding the identities of political fat cats is bad for democracy.

In deciding how to vote, a citizen needs to know who's bankrolling a candidate or a ballot measure.

That's what most of these politicians profess to believe anyway.

But they've gotten hung up over exactly when to begin shining the light on shadowy mega-donors.

Democrats say start exposing them during this fall's elections.

Republicans claim that wouldn't be fair. It's "changing the rules in the middle of the game." They're insisting on one more election of donor-hiding.

They're like the drunk who promises to seek treatment, but first needs to go on one last binge.

The GOP stance is indefensible. If a rule is rotten, it should be chucked immediately. Why allow it to continue spoiling the political process?

That said, we are talking about crass politics, after all. Nobody should be shocked by any doublespeak or opportunism. And Democrats should compromise here for the long-term public good.

"It is embarrassing that the legislative party leaders can't find some common ground when all they're arguing about is timing," says Dan

Schnur, a former Republican strategist-turned-political-reformer who's running for secretary of State as an independent.

"In a functional political system, this is the kind of thing that reasonable people ought to be able to work out."

The dispute came to a head in the state Senate last week when a Democratic bill to unmask hidden money fell one vote short of the two-thirds majority needed for final passage. Every Democrat voted for the measure, SB 27. No Republican did.

The bill was authored by Sen. Lou Correa, a moderate Democrat from Santa Ana, at the request of the state's campaign finance watchdog, the Fair Political Practices Commission.

The measure stemmed from the laundering of \$15 million in "dark" money that was dumped into two 2012 ballot measure campaigns. Part of it was to fight Gov. Jerry Brown's tax increase. The rest was to promote an initiative that would have crippled political spending by unions.

The skullduggery backfired, souring many voters against the laundry machines. The tax hike won and the anti-union measure lost, both overwhelmingly.

The state could only trace the money back to such innocuously and disingenuously named sources as "Americans for Responsible Leadership," "Americans for Job Security" and "The Center to Protect Patient Rights." All were legally classified as nonprofits, largely immune to being required to disclose the real names of their donors.

No one still can say with certainty who actually forked out the millions, but the secretive network of nonprofits had ties to right-wing billionaires Charles and David Koch. So virtually everyone assumes it was the out-of-state Koch brothers who were secretly playing in California politics.

But for all we really know, the \$15 million could have come from Mexican drug lords or Al Qaeda. That's the problem with clandestine contributing.

The rejected Senate bill would require real names to be attached to the donations for all to see — names of a person, a union, a corporation, some entity easily identifiable.

California campaign finance law is purposely complicated to offer a Swiss cheese packet of loopholes. SB 27 would close at least one.

Currently, a nonprofit can initially donate an unlimited pile of money — called "the first bite" — without disclosing the original source, unless that source had specifically earmarked the money for politics. The theory is that some moneybag might have thought he was giving to a charitable cause, not a political campaign, and therefore should not be publicly disclosed. Yeah, right!

Problem is, nonprofits are increasingly being created just to provide loopholes for political givers who insist on anonymity. Their identity could embarrass the campaign. Or they're afraid of retaliation by the opposite side. Tough.

If you're going to climb into the ring — donate money for TV ads attacking someone — you should be willing to take some punches yourself.

"Hiding is the definition of a coward," says Derek Cressman, former head of California's Common Cause and a Democratic candidate for secretary of State. "If the donor doesn't want his name used, then his money shouldn't be used for political purposes."

SB 27 would force a nonprofit to disclose its donors after contributing more than \$50,000 to politics in one year or \$100,000 in four consecutive years.

The bill would take effect July 1. And that's what Republicans object to. They insist on delaying the law until next January, after the November election.

Enacting it in July, Senate GOP leader Bob Huff of Diamond Bar argued during the floor debate, wouldn't give donors enough time "to understand that the rules of engagement have changed."

It's hard to believe that multimillionaire GOP donors are that slow.

Later, Huff issued a statement giving a more logical reason for the GOP opposition: Many donors already have written checks to nonprofits expecting that they could hide. "Thousands of unsuspecting people," he said, "will unknowingly be exposed.... We want to protect [their] privacy rights."

But what about protecting the voters? Isn't it more important that they know who's trying to buy elections?

I called a Republican secretary of State candidate, Pepperdine University public policy professor Pete Peterson.

"Republican legislators have a legitimate request," he says. "But as someone who has always supported transparency in government, if it came down to not enacting the bill ever and doing it this year, I would do it this year." Do it this year, but exempt all money given before July 1. Let the fat cats hide until then. That seems a reasonable compromise.