



Money in Politics Research Action Project

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Referendum Signature-Gathering Campaign Circumvents Spirit of Disclosure Laws

Loopholes in Oregon’s disclosure laws allowed the campaign to repeal the legislature’s budget plan to shield much of its funding by reporting totals of in-kind contributions from key allies.

A thorough examination of the Taxpayer Defense Fund’s recent report on fundraising for its signature-gathering efforts indicates that though some contributions meet disclosure goals of transparency, the source of dollars behind other donations are difficult to trace and will not be disclosed in a timely fashion. Indeed, disclosure of some contributions will only occur in April of 2004, months after the February 3rd special election on Measure 30, the referendum by the Taxpayer Defense Fund. Details are available in MiPRAP’s new report, *Transparency or Transparency Defeated*, available online at www.oregonfollowthemoney.org.

While it is not unusual for signature-gathering campaigns to look to established political action committees to help fund what are often very quick ventures, last week’s filing with the Secretary of State’s office underlines the need for tighter disclosure of campaign financing.

The Taxpayer Defense Fund (TDF), which was formed to refer the Oregon legislature’s plan to balance the 2003-05 budget to the voters, reported \$610,550 in total contributions, including \$570,858 in in-kind contributions. (In-kind contributions include any goods or services, but not dollars, donated to a campaign.) Two-thirds or \$406,130 of all of the contributions came from two committees as in-kind gifts.

The two largest ally committees are Oregon Citizens for a Sound Economy and Taxpayer Association of Oregon Ballot Measure PAC. But who gave to them? Their disclosure reports aren’t due until the end of December, over a month after signatures were submitted and almost three weeks after the TDF signature gathering disclosure report was filed. The disclosure reports of other TDF donors won’t be due until April 12, 2004.

Chart 1 - Who Gave to the Top Donors to Taxpayer Defense Fund?

Who Gave to The Top Donors?	Top Two Donors to Taxpayer Defense Fund (TDF)			Total Contributions to Ultimate Recipient - Taxpayer Defense Fund
	Donor	Dollars to TDF	% of Total Contributions to TDF	
Details will only be available on December 29 th report.	Oregon Citizens for a Sound Economy	\$337,608	55.3%	\$610,550
	Taxpayer Association of Oregon Ballot Measure PAC	\$68,522	11.2%	

A complete summary of contributions to the TDF and its referendum signature gathering effort is in Chart 2. TDF engaged in fundraising practices that, whether deliberate or not, appear to be designed to frustrate efforts to follow the money.

TDF could have met the goals of Oregon’s disclosure laws by encouraging its allies to ask donors to send checks directly to TDF rather than to their own PACs. This would have been especially easy with both OCSE and CSE since OCSE executive director Russell Walker also serves as a Taxpayer Defense Fund PAC director, as do two

staff members of the Washington, D.C.-based CSE. In addition, Jason Williams, treasurer for the Taxpayer Association of Oregon Ballot Measure PAC is also a chief petitioner for what has become Ballot Measure 30. The connections among those groups would made it easy to encourage direct contributions to TDF, better meeting the spirit of Oregon's disclosure laws.

Chart 2: Summary of Contributions to the Taxpayer Defense Fund			
Donation Type	Contributor	Aggregate Totals	%
IK	Oregon Citizens for a Sound Economy	\$337,608	55.3%
IK	Taxpayer Association of Oregon BM PAC	\$68,522	11.2%
IK	Goli Ameri for Congress	\$54,000	8.8%
IK	Kevin Mannix PC	\$40,585	6.6%
CA	Miscellaneous Individuals	\$31,843	5.2%
IK	CSE	\$24,819	4.1%
IK	Oregon Family Council PAC	\$7,910	1.3%
IK	Oregon Republican Party, Victory 2004	\$7,000	1.1%
IK	Flores, Friends of Linda	\$6,500	1.1%
IK	Kruse, Committee to Re-Elect Jeff	\$5,500	0.9%
IK	NFIB/Oregon Safe Trust	\$5,500	0.9%
IK	Richardson, Citizens to Elect	\$5,500	0.9%
CA	ABC State PAC	\$5,000	0.8%
IK	Adams & Company	\$3,000	0.5%
IK	Christian Victory PAC	\$2,750	0.5%
IK	Parent's Education Association PAC	\$2,342	0.4%
CA	Miscellaneous Businesses	\$1,150	0.2%
IK	Libertarian Party of Oregon	\$315	0.1%
CA	Taxpayer Association of Oregon	\$700	0.1%
IK	Smith, Friends of Tootie	\$7	0.0%
Total		\$610,550	100%

IK = in-kind contributions CA = cash contributions

Perhaps recognizing that its disclosure report was less than transparent, TDF provided to the press an itemization of five top contributions made to its major ally PAC, OCSE. Four Oregon businesses, A-Dec, Inc., Columbia Helicopters, Jeld-Win, Inc., and Seneca Sawmills each gave \$55,100 while Freres Lumber gave \$27,550.

Over one-quarter (27%) of the contributions to OCSE will not be itemized until that PAC files its report as an opponent of Ballot Measure 30 at the end of December. "When a concerned voter has to look at news articles in addition to the disclosure report and still doesn't see the complete money trail, the goals of Oregon's disclosure laws are not met," said Janice Thompson, executive director of the Money in Politics Research Action Project.

"Oregon's campaign finance system, by design, depends upon tight disclosure regulations to keep players honest. It's a system built on trust, and it demands that campaigns meet a high standard of transparency. Instead, this disclosure report is a disturbing example of transparency defeated," continued Thompson.

"This is just the kind of loophole that I urge the new disclosure commission* to tackle," she continued. "This kind of shielding of donors only serves to deepen voters' suspicion of the role of money in politics.

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*In the interest of full disclosure, please note that Janice Thompson has been contacted about serving on the disclosure commission.