

Democracy South

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BASNIGHT & BLACK RAISE MORE THAN ALL OTHER LEGISLATORS COMBINED; TOTAL DOLLARS DOWN, BUT DISCLOSURE IMPROVES

State legislators have gotten off to a slow start in raising funds for their reelection campaigns, but they are providing better information about where that money comes from, according to a new analysis of disclosure reports by Democracy South, a campaign-finance watchdog organization.

The reports show that one legislator spent \$41.93 on bubble gum to pass out at a local parade, another got nearly all his money from his parents, a third listed the occupation for a donation from the AT&T PAC as “Housewife,” and two others received a total of \$35,500 from chiropractors.

The reports also show that only 14 of the state’s 170 legislators raised more than \$10,000 in 2001.

Added together, members of the North Carolina General Assembly took in a total of \$1.5 million in political contributions during 2001, compared to the \$2.7 million raised by their counterparts two years earlier. While the total dropped sharply from the last so-called “off election year,” the role of top legislative leaders as the chief fundraisers for their colleagues continues to expand.

House Speaker Jim Black (D-Matthews) and Senate President Pro Tem Marc Basnight (D-Manteo) took in a combined total of \$957,000 in 2001 or 63 percent of all the funds raised by the state’s 170 legislators (not counting personal loans). By contrast, the \$862,000 that Black and Basnight raised in 1999 represented 32 percent of the money received by all state legislators that year.

“The long legislative session in 2001 dampened most legislators’ quest for campaign money, especially since accepting contributions from lobbyists and their PACs is prohibited during the session,” said Bob Hall, research director of Democracy South. “But it didn’t slow down the appetite of the top leaders. They want to maintain their majority control and the loyalty of their members – and raising and doling out campaign cash is a big part of how they succeed.”

In January, Democracy South criticized House Speaker Black for failing to submit his campaign reports on time and for omitting the required occupational information on scores of his contributors. But, Hall said, “True to his word, Jim Black turned in his last report on time and in far better shape, with complete information on 97 percent of the donors. We commend him for his turnaround.”

Hall also praised Senate leader Marc Basnight for consistently submitting detailed reports in an electronic format that helps the State Board of Elections process the data for rapid public review on its Internet site. He noted that Basnight even returned a \$2,000 donation from a donor whose employer his campaign committee could not determine.

Democracy South commended six other legislators – Rep. Leslie Cox, Rep. David Miner, Rep. Alice Underhill, Sen. Patrick Ballantine, Sen. Steve Metcalf, and Sen. David Weinstein – for filing “exemplary reports” with the employer’s name for virtually all their donors giving over \$100.

The six are among the 14 current legislators who raised \$10,000 or more contributions during 2001. By contrast, 58 of the 170 legislators serving in 1999 raised at least \$10,000 that year.

Hall pointed out that 17 legislators are not running for reelection this year, the highest number in a decade. Redistricting, still under court review, also produced more non-competitive districts. At this point, only 59 legislators face a major-party opponent in the general election, but anyone raising or spending more than \$3,000 in an election cycle must submit regular disclosure reports.

The reports are supposed to include the name and full address of each donor who gives over \$100, along with their occupation and employer's name or employer's specific field of business activity.

"The latest round of disclosure reports are generally far superior to what these same candidates turned in a year or two ago, indicating that they are learning how to get the required information and make it public," said Hall. "But there's still plenty of room for improvement."

A review of the reports shows:

- Rep. Gene Arnold (R-Rocky Mount), who decided not to run for reelection, returned more than \$17,000 to his contributors – "a rare and laudable action," said Hall.
- Rep. Leslie Cox Jr. (D-Sanford) provided complete information on his 46 donors giving over \$100, which makes his reliance on contributions from the hog industry readily apparent. About 30 percent of the \$15,390 he raised in 2001 came from donors tied to the hog farming business.
- By contrast, Rep. Nurham Warwick (D-Clinton), who is co-chair of the House Environment Committee, "fails to give adequate information on the background of his major donors," said Hall. For example, he describes \$4,000 donor William T. Herring, owner of Hog Slat Inc., simply as "farmer and agri-business," and lists \$2,000 donor Wayne T. Burgess, vice president of Prestage Farms (one of the nation's largest hog growers), as "agri-business manager."
- Rep. Ronnie Sutton (D-Pembroke) raised \$11,375 of his \$12,475 total from a single fundraising event that drew 185 people, with none giving more than \$100.
- Sen. Howard Lee (D-Chapel Hill) identified half of his 41 large donors with "incomplete or vague descriptions," said Hall. For example, Lee lists top officials at an investment counseling firm (Franklin Street Partners), a major real-estate development company (East-West Partners), and an environmental organization (Environmental Defense) all as "administrator-service."
- Sen. Eric Reeves (D-Raleigh), who considered a run for the U.S. Senate, got nearly \$45,000 of his \$47,000 in 2001 from his mother and father.
- Rep. Larry Justus (R-Hendersonville) and Sen. Walter Dalton (D-Rutherfordton) did not name the employer of any donor, but provided an adequate description of their business fields in most cases.

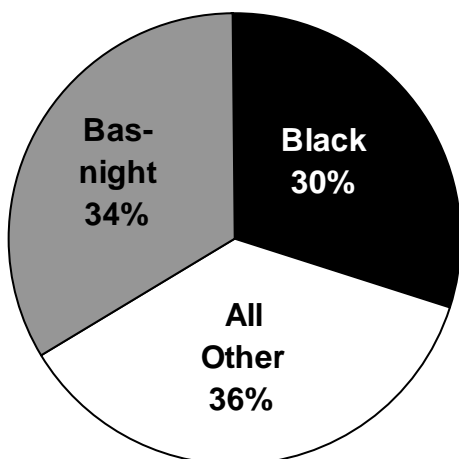
A new round of reports are due at the State Board of Elections on April 29, covering activity from January 1 through April 20, 2002. Democracy South said it would continue to monitor the disclosure reports for timeliness, completeness and the adequacy of information given to identify contributors.

"These reports are the public's window into what's going on in political campaigns," said Hall. "Reliable, full, and rapid disclosure is fundamental to protecting the integrity of our election system."

FUNDRAISING BY GENERAL ASSEMBLY MEMBERS, 2001 v. 1999

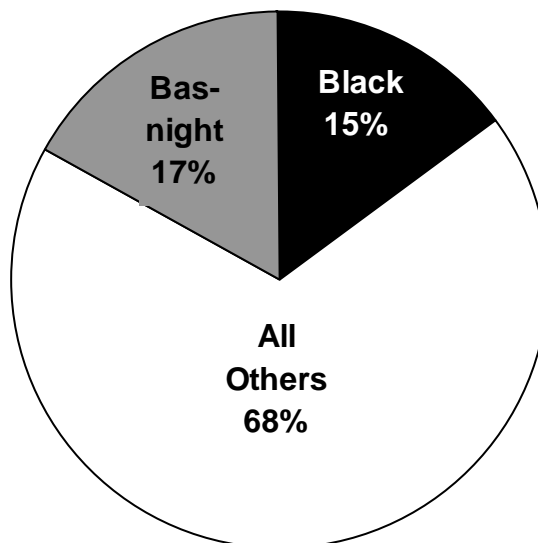
2001 Total: \$1.51 Million

Black \$449,930 = 30%
 Basnight \$507,096 = 34%
 Others \$551,344 = 36%



1999 Total: \$2.68 million

Black \$ 410,724 = 15%
 Basnight \$ 451,615 = 17%
 Others \$1,819,341 = 68%



TOP FUNDRAISERS IN GENERAL ASSEMBLY FOR 2001

AMOUNT RAISED	LEGISLATOR'S NAME	CURRENT DISTRICT	FACES OPPONENT IN PRIMARY	FACES MAJOR-PARTY OPPONENT IN GENERAL ELEC.
\$507,096	Basnight, Marc	S-01	NO	YES
449,930	Black, James B (Jim)	H-36	NO	YES
51,248	Justus, Larry T	H-50	NO	NO
46,996	Reeves, Eric M	S-14	NO	YES
41,765	Lee, Howard N	S-16	NO	NO
36,205	Warwick, Nurham	H-12	NO	NO
32,550	Miner, David M	H-62	NO	YES
31,115	Dalton, Walter H	S-37	NO	YES
28,199	Weinstein, David F	S-30	NO	NO
16,784	Metcalf, Steve	S-28	NO	YES
15,390	Cox, Leslie	H-19	NO	YES
13,401	Ballantine, Patrick J	S-04	NO	YES
12,475	Sutton, Ronnie	H-85	NO	NO
10,515	Underhill, Alice Graham	H-03	NO	YES
\$1,293,669	Total for Top 14		0	9
\$1,508,370	Total for all 170 Members		29	59

Number out of 170 who are not seeking reelection: 17
 Number facing opponents in primary and general election: 12