

Democracy North Carolina

1821 Green St., Durham, NC 27705 • 919-489-1931 • www.democracy-nc.org

NC COALITION FOR LOBBYING & GOVERNMENT REFORM

Suite 701, 19 W. Hargett St., Raleigh, NC 27601 • 919-833-0092 • www.nclobbyreform.org

February 10, 2011

The Honorable Thom Tillis
The Honorable Paul Stam
NC General Assembly
Raleigh, North Carolina

Dear Speaker Tillis and Majority Leader Stam,

On behalf of Democracy North Carolina and the NC Coalition for Lobbying and Government Reform, we write with a request that you take the exemplary action of voluntarily disclosing campaign funds raised or received during January 2011 by you and your leadership team for the benefit of your campaign accounts, your colleagues or the House caucus account in the NC Republican Party. We are writing the Senate President Pro Tem, Senate Majority Leader and the Minority Leaders of each chamber with a similar request, and invite you to encourage them to provide this information in a timely matter, ideally by March 1, 2011, using the standard campaign disclosure forms.

There are four important reasons why we make this request:

- ***New Decision Makers.*** The change in party leadership in both chambers means many Members are new to the General Assembly or now have substantially increased power to influence the outcome of public policy debates, for example, as the chairs of the Finance, Appropriates or Rules committees. The change in the majority party has apparently prompted a flurry of post-election campaign giving. The disclosure reports covering the period after Election Day until December 31, 2010 reveal more than \$200,000 flowing from political action committees (PACs) into various legislative candidate and caucus accounts (*see attachment*). There is an appearance that the donors want to ingratiate themselves with the new winners and the new power players on Jones Street. The donors can't explain that they are simply helping candidates get out their message during a heated election, because the winner was known when they donated. How much more money flowed into campaign accounts in January 2011, before the General Assembly convened and bans on fundraising took effect?
- ***Continuous Fundraising.*** Some of these donations were made in the final days before the December 31, 2010 cut-off for the Fourth Quarter 2010 disclosure report. And many fundraising events were held in January 2011, some in the days immediately before the General Assembly convened on January 26. For example, a fundraiser was held at the Cardinal Club in Raleigh on January 25 for the benefit of the Republican House Majority Fund. The public will have no idea what interests paid \$5,000 for tickets to the VIP

Reception until July 2011. But even then, because the funds are reported among other receipts of the NC Republican Party, it will be difficult to know which donations are related to the fundraising efforts of the House leadership.

- ***Special-Interest Agendas.*** Many of the PACs and individuals who donated after Election Day represent special interests with a wish list of policy initiatives they would like approved or laws and tax advantages they would like protected. For example, the NC Association of Realtors PAC sent 25 legislative winners a total of \$23,000 on November 29, 2010; the Realtors want the new General Assembly to repeal the optional county transfer tax on property sales. The NC Advocates for Justice, which is concerned about worker's compensation and tort reform, sent a total of \$11,000 in December 2010 to four winners and the NC Republican Party. (The attachment provides additional examples of post-election contributions in November and December, 2010.) We are concerned that decisions legislative leaders make could be viewed as influenced by special-interest donors, particularly if the scope of funds provided by stakeholders on various sides of an issue are not fully known to the public before the crucial votes are taken.
- ***Full Disclosure.*** Increased openness and transparency in governmental affairs are key parts of the new majority's agenda, and we applaud your initiatives to fulfill this commitment. Republicans have rightly criticized a pay-to-play culture and have promised to take a series of ethics and disclosure reforms to the next level. Large majorities of North Carolinians, of all persuasions, believe that the increasing volume of money involved in legislative campaigns should be fully disclosed, quickly and in a format accessible to the public. Your leadership in this area can be clearly demonstrated by providing in about 20 days the kind of information you would provide under current law at the end of July, possibly after the 2011 General Assembly session has ended.

For all these reasons, we ask you to work with your colleagues and provide details about the campaign funds received by the campaign committees of the chairs and vice chairs of the Appropriations, Finance and Rules committees, by the Speaker and Majority Leader, and by the House caucus committee.

We urge you to support legislation this biennium that will require an additional disclosure report on March 1 in odd numbered years for winning legislative candidates and quarterly reports thereafter for political committees and candidates. We also believe other measures would help the public obtain timely, full disclosure of the flow of money in our political system, for example, by expanding the requirement for electronic reporting to cover more candidates and committees.

No doubt you have ideas related to disclosure as well. We appreciate your leadership and will be happy to work with you in areas of mutual interest. We look forward to your response to our request.

Sincerely,

Bob Hall
Director
Democracy North Carolina

Jane Pinsky
Director
NC Coalition for Lobbying &
Government Reform

PAC CONTRIBUTIONS MADE AFTER THE 2010 ELECTION & BEFORE JANUARY 1, 2011

NAME OF PAC	TOTAL	To GOP Leg. Candidates		To GOP Party/Comm.		To Dem. Leg. Candidates		To Dem. Party/Comm.	
	\$\$	#	\$\$	#	\$\$	#	\$\$	#	\$\$
ALLSTATE INSURANCE COMPANY PAC	\$7,500	13	\$5,500	0	\$0	5	\$2,000	0	\$0
AMERICAN EXPRESS CO PAC	5,000	7	3,500	0	0	3	1,500	0	0
AT&T NC PAC	4,250	14	3,750	1	500	0	0	0	0
BLUE CROSS & BLUE SHIELD OF NC PAC	3,000	2	2,000	1	1,000	0	0	0	0
CAROLINA ASPHALT PAVEMENT ASSN PAC	4,500	8	4,500	0	0	0	0	0	0
CITIZENS FOR HEALTHCARE	4,000	1	4,000	0	0	0	0	0	0
COCA-COLA CONSOLIDATED PAC	2,000	4	2,000	0	0	0	0	0	0
CORNING INC EMPLOYEES PAC	4,000	2	4,000	0	0	0	0	0	0
EASTERN RADIOLOGICAL PAC	2,000	2	2,000	0	0	0	0	0	0
EMPLOYEES (SEANC) PAC	2,000	0	0	1	2,000	0	0	0	0
ENTERPRISE HOLDINGS INC PAC	2,000	4	2,000	0	0	0	0	0	0
GREEN INDUSTRY COUNCIL	500	0	0	1	500	0	0	0	0
INTERNATIONAL PAPER PAC	500	1	500	0	0	0	0	0	0
JM FAMILY ENTERPRISES PAC	1,000	0	0	1	1,000	0	0	0	0
LIBERTY MUTUAL INSURANCE CO PAC	750	0	0	1	500	1	250	0	0
MARATHON OIL CO EMPLOYEES PAC	1,000	1	1,000	0	0	0	0	0	0
MEDCO HEALTH SOLUTIONS INC PAC	4,500	6	4,500	0	0	0	0	0	0
NATIONWIDE CAROLINA PAC	4,000	4	4,000	0	0	0	0	0	0
NC ACADEMY OF FAMILY PHYS - FAMPAC	1,000	2	1,000	0	0	0	0	0	0
NC ADVOCATES FOR JUSTICE PAC	11,000	4	10,000	1	1,000	0	0	0	0
NC ASSISTED LIVING ASSN PAC	1,500	3	1,500	0	0	0	0	0	0
NC ASSN LONG TERM CARE FACIL CAREPAC	1,100	5	1,100	0	0	0	0	0	0
NC ASSN OF EDUCATORS PAC	3,275	0	0	5	3,125	0	0	1	150
NC ASSN OF INSUR & FINANCIAL ADV PAC	2,500	3	1,500	1	500	1	500	0	0
NC ASSN OF NURSE ANESTHETISTS	2,000	2	1,500	0	0	1	500	0	0
NC ASSN OF REALTORS PAC	23,000	24	22,250	0	0	1	750	0	0
NC AUTOMOBILE DEALERS ASSN PAC	4,500	4	4,000	1	500	0	0	0	0
NC BEER & WINE WHOLESALERS ASSN PAC	1,500	3	1,500	0	0	0	0	0	0
NC CONSTRUCTION INDUSTRY PAC	500	0	0	1	500	0	0	0	0
NC DENTAL PAC	40,750	45	39,750	1	500	1	500	0	0
NC FARM BUREAU FEDERATION PAC	16,000	7	15,000	1	1,000	0	0	0	0
NC HOME BUILDERS ASSN PAC	3,250	6	2,750	0	0	1	500	0	0
NC NURSE AMBASSADORS PAC	1,250	2	750	1	250	1	250	0	0
NC OPTOMETRIC SOCIETY PAC	1,500	1	500	1	1,000	0	0	0	0
NC PORK COUNCIL PAC	2,500	4	2,500	0	0	0	0	0	0
NC RESTAURANT & LODGING ASSN PAC	1,500	1	1,000	1	500	0	0	0	0
NP (NURSE PRACTITIONERS) PAC	500	1	500	0	0	0	0	0	0
PETRO & CONVENIENCE MARKETERS PAC	1,000	4	1,000	0	0	0	0	0	0
PIEDMONT NATURAL GAS PAC	2,550	7	1,550	1	1,000	0	0	0	0
PIEDMONT TRIAD ANESTHESIA PAC	500	1	500	0	0	0	0	0	0
PROGRESS ENERGY STATE PAC	17,000	16	15,000	2	2,000	0	0	0	0
PSNC ENERGY PAC	500	1	500	0	0	0	0	0	0
R J REYNOLDS PAC REYNOLDS AMERICAN	3,000	3	3,000	0	0	0	0	0	0
RESCARE INC ADVOCACY FUND	2,000	1	2,000	0	0	0	0	0	0
RESIDENT LENDERS OF NC PAC	500	1	500	0	0	0	0	0	0
RURAL ELECTION ACTION PROGRAM (REAP)	22,600	30	21,800	0	0	2	800	0	0
SECURITY FINANCE CORP PAC	2,000	2	2,000	0	0	0	0	0	0
SOUTHEAST ANESTHESIA ASSOC PAC	9,000	10	9,000	0	0	0	0	0	0
TIME WARNER CABLE-NC PAC	4,500	6	3,000	2	1,500	0	0	0	0
UNIVERSITY DEVELOPMENT COALITION	1,000	0	0	1	1,000	0	0	0	0
WEYERHAEUSER PAC	2,000	2	2,000	0	0	0	0	0	0
WINDSTREAM PAC	1,500	1	1,500	0	0	0	0	0	0
TOTALS	\$241,275	271	\$213,700	26	\$19,875	17	\$7,550	1	\$150