

# Democracy North Carolina

1821 Green St., Durham, NC 27705 • 919-286-6000 or 489-1931 • [democracy-nc.org](http://democracy-nc.org)

For Release: Wednesday, August 11, 2004

Contact: Bob Hall, 919-489-1931

## **WATCHDOG GROUP CALLS FOR IMPROVED DISCLOSURE OF MONEY IN NORTH CAROLINA ELECTIONS**

### **22 Candidates Merit “Sunshine Awards,” Others File Late; State Parties, Beer Wholesalers, Developers Criticized**

One month after the deadline for disclosing how they raise and spend campaign money, nine General Assembly candidates have still not submitted reports to the State Board of Elections. The nine include sitting legislators Tony Moore, Michael Gorman, John Hall, and Charles Johnson.

Another 11 legislative candidates and 40 party or political committees filed their disclosure reports late. They include the political action committees (PACs) sponsored by BellSouth, Verizon, the NC Poultry Federation, and NC State Optometric Society.

By contrast, 27 candidates for the General Assembly went beyond the law’s basic requirement by submitting their pre-primary reports in an electronic format so they can be rapidly posted on the Board of Elections’ web site and viewed by voters across the state.

“Free flowing information is the lifeblood of a healthy democracy,” said Bob Hall, research director of Democracy North Carolina, a nonpartisan election watchdog group. “Voters have a right to know where candidates, parties and special interest PACs get their money and what they’re doing with it. But in too many cases, voters can’t review the reports filed by these committees until it’s too late, after an election is over.”

To highlight the mixed record of compliance and need for improvement, Democracy North Carolina handed out Sunshine Awards to some candidates, chided the state political parties for “hiding crucial information,” and called on the State Board to levy numerous fines, including a \$21,500 fine against a chronic violator – the N.C. Beer and Wine Wholesalers PAC.

Each quarter during an election year, more than 1,000 North Carolina candidates, parties, and special-interest PACs are required to submit reports that describe where they get their money and what they do with it.

Hall commended the State Board of Elections for scanning reports into image files that can be viewed on its website, and he encouraged voters to use that resource – at [www.sboe.state.nc.us](http://www.sboe.state.nc.us).

But he said the Board of Elections’ job would be far easier, and the public would be far better served, if more large committees submitted their reports in an electronic format that could be quickly placed on the State Board’s web site.

State law only requires candidates and political committees that spend or contribute more than \$5,000 in a statewide election to submit disclosure reports electronically. That omits more than 350 candidates running for the General Assembly.

Hall recommended that all committees raising over \$30,000 in an election cycle be required to file disclosure reports on a computer disk or electronically. “The State Board provides free software for committees to use, and the regulations are complex enough that anyone handling that much campaign money is very likely keeping records on computer,” said Hall. “Changing the law would save tax money and give voters better access to vital information.”

Democracy North Carolina is sending “Sunshine Awards” to 22 legislative candidates who voluntarily submitted disclosure reports in electronic format in 2004, so they can be posted on the Internet quickly, and who also generally complied with a state law requiring occupational descriptions for donors who give over \$100 in an election.

“We commend these candidates and their treasurers for providing people with rapid and useful information about the scope of their financial support,” said Hall. “They show a willingness to stand in the sunshine, rather than hide in the shadows.”

The candidates include: **Senators Marc Basnight, Clark Jenkins, Ellie Kinnaird, Scott Thomas, Jerry Tillman, Hugh Webster, Woody White; Senate candidates Paul Carrington, Neal Hunt, Chuck Tyson; House members Lucy Allen, Becky Carney, Bill Daughtridge, Jean Farmer-Butterfield, Pryor Gibson, Phil Haire, Bonner Stiller; and House candidates William Brisson, Jeff Eddins, Kathryn Hamrick, M.W. Hollo and Richard Wright.**

On the other hand, Democracy North Carolina singled out two PACs – the N.C. Beer and Wine Wholesalers Association and the Shelter Providers PAC of Charlotte – and the state Democratic and Republican parties as examples of committees filing reports in a manner that thwarts easy access.

“Numerous special-interest PACs keep their records on computer software but they continue to submit their reports as a paper printout, which the Board of Elections must then slowly type into its computer to properly audit,” Hall said. “It’s a ridiculous waste of time and tax money. Some committees have agreed to change. But the Shelter Providers is one that has refused to help unless required to do so.”

He said the Beer Wholesalers PAC has been “especially slow to take seriously their duty to file reports, much less make them available electronically.” Records at the Board of Elections show that the PAC submitted three different reports in this election cycle late. The Board waives a penalty for the first violation, but warns that it will be added to the next penalty if another violation occurs.

“Two of their reports were months late,” said Hall. “To be fair to law-abiding PACs, the Beer Wholesalers should be fined \$21,500.” He said other repeat offenders should be fined, including Verizon, the Lincoln Co. Republican Party, and Reps. John Hall, Sam Ellis and Michael Gorman.

In the case of the Republican and Democratic parties, Hall said they submit their information in electronic format, but it’s impossible for the public to tell whether the money is going to the party’s House or Senate leaders, who maintain accounts within each party, or for some other purpose.

“Hundreds of thousands of dollars, perhaps millions, are raised by the House and Senate leadership, even while the General Assembly is meeting, using the state party umbrella, and it’s impossible to tell who the money is intended to benefit because the parties submit a combined report,” he said. “The public can’t connect a special interest’s donation to its real recipient.”

He noted that in the 1998 election cycle, at the State Board’s request, the parties submitted reports that were divided into sections for the House committee, Senate committee, and other special-use accounts. But since 2000, the parties have refused to follow that pattern, lumping all state funds into one giant report that can run hundreds of pages.

The Republican Party director of accounting, Karen Langham, says the State Board of Elections keeps promising to furnish software that would allow her to easily file her party’s report with each account identified. She said that until the Board furnishes different software, the Republican Party would continue to generate a single, combined report for all accounts.

Hall agreed that the State Board has been slow in completing promised software upgrades. But he believes large committees sponsored by companies or candidates could be making a better effort to submit the material themselves. “They have the resources to get the job done. Why wait?”

## Legislative Candidates NOT Filing 2<sup>nd</sup> Quarter Report By August 11

Office	Distr.	Party	Candidate	Office	Distr.	Party	Candidate
House	3	Rep	Gorman, Michael*	House	112	Lib	Haulk, Ralph
House	7	Dem	Hall, John D.*	Senate	3	Dem	Johnson, Charles
House	17	Dem	Redwine, David	Senate	5	Rep	Moore, Tony P.
House	27	Dem	Webb, Julius*	Senate	24	Dem	Purgason, Tim
House	36	Lib	Goodson, Gary*				

## Legislative Candidates Filing 2<sup>nd</sup> Quarter Report Late

Office	Distr.	Party	Candidate	Office	Distr.	Party	Candidate
House	39	Rep	Ellis, J. Sam*	House	106	Dem	Alexander, Martha
House	42	Rep	White, Robert L.	Senate	18	Rep	Mumma, Christine
House	58	Rep	Morgan-Wright, Olga	Senate	21	Dem	Shaw, Larry
House	82	Rep	Becker, William D.	Senate	44	Dem	Avery, Richard C.
House	88	Rep	Byerly, Grimes	Senate	49	Rep	Clark, R. L.
House	98	Rep	Rhodes, John W.				

## Examples of PACs & Parties Filing 2<sup>nd</sup> Qtr Report Late

### Political Action Committees (PACs)

ABC of Guilford County PAC  
 Amalgamated Transit Union COPE  
 Amer Assn of Oral & Max'facial Surgery PAC  
 Brotherhood of Locomotive Eng PAC Fund  
 Charlotte Firefighters Assn Local 660 PAC  
 Citizens For Healthcare PAC  
 Duplin Cty Progressive Leadership Org  
 Johnson & Johnson Empls Good Govt Fund  
 Legislative Ed. Action Prog. Camp. Fund  
 Little & Assoc Architects Inc PAC  
 Monsanto Citizenship Fund  
 NC Assisted Living Assn PAC  
 NC Physical Therapy PAC  
 NC Poultry Fed Inc PAC  
 NC State Optometric Soc PAC  
 Northampton Cty Black Caucus PAC  
 Piedmont Stone Center PAC  
 Verizon Good Gov't Club – Texas\*  
 Verizon Good Govt Club – NC\*  
 Warren Cty Pol Action Council  
 Women's Campaign Fund

### Political Party Committees

5th Cong Dist Rep. Exec. Comm.  
 Alexander Dem. Exec. Comm.  
 Buncombe Rep. Exec. Comm.\*  
 Carteret Dem. Exec. Comm.  
 Cleveland Dem. Exec. Comm.  
 Craven Dem. Exec. Comm.  
 Gaston Rep. Exec. Comm.  
 Gaston Republican Women\*  
 Johnston Dem. Exec. Comm.  
 Lincoln Rep. Exec. Comm.\*  
 NC Young Democrats  
 Northampton Co. African-Amer. Caucus  
 Orange Dem. Exec. Comm.  
 Pasquotank Dem. Exec. Comm.  
 Randolph Dem. Exec. Comm.  
 Robeson Dem. Exec. Comm.  
 Rowan Dem. Exec. Comm.  
 Salisbury Rowan Republican Women  
 Union Dem. Exec. Comm.

**\* Candidate or committee filed more than one report late in this election cycle**