

Political Ads on the Attack (<http://floridatrend.com/article.asp?aid=49074>)

By Amy Keller - 6/1/2008

Record election fund raising this year will fuel more political advertising than ever before — about \$3 billion worth, predicts Evan Tracey, COO of TNS Media Intelligence, which has been tracking political advertising since 1997.

But the ads won't just be coming directly from the candidates' campaigns. Much of the action will be sponsored by so-called 527 organizations — shadow groups backed by corporations, unions and special interests — that attempt to sway voters with "issue" ads that often attack the candidate the group opposes.

Named for the tax code provision that allows them, 527s — unlike political action committees — can accept unlimited donations as long as their ads don't openly advocate voting for one particular candidate.

Here in Florida, voters are already getting an early taste of the 527 flood thanks to a contentious state attorney's race in Panama City. While neither candidate has aired his own ads yet, two previously unknown groups have been running television ads and distributing fliers in advance of the "real" campaign.

In March, a one-minute ad sponsored by a 527 group called Keep Our Families Safe attacked former Circuit Court Judge Glenn Hess, a Democrat who is challenging incumbent state attorney Steve Meadows, as "dangerously soft on crime." The ad claimed that "liberal Judge Hess" had "set loose" the same individual three times — once when the man was charged with grand theft, again when the man pleaded "no contest" to violating his probation by possessing cocaine and a third time after he was arrested after attacking a sheriff's deputy. While Hess did sentence Normando Brown to probation in the first two matters, he did not render the decision in the third case involving Brown. Furthermore, the ad incorrectly stated that Brown pleaded guilty on the initial grand theft charges when in fact he pleaded no contest to the charges and was not found guilty.

Who is behind Keep Our Families Safe? The 527 group lists Panama City resident James R. Clark as its chairman. Meadows has said that Clark is a retired police lieutenant with whom he is friends. Clark politely declined to talk to Florida Trend about his group or its party affiliation. But according to public records, the custodian of the records for Keep Our Families Safe is Nancy Watkins, a prominent GOP treasurer and CPA in Tampa who handles campaign records and filings for most of Florida's high-profile Republicans, including Sen. Mel Martinez and Jeb Bush.

Meanwhile, Noreen Fenner, who submitted the group's Articles of Incorporation to the Florida Division of Corporations, is a lobbyist with Tidewater Consulting, the lobbying firm run by former Florida Republican Party Chairman Tom Slade.

The money trail for Keep Our Families Safe provides other information about the group. According to public records, the group's financing consisted of a single \$40,000 contribution from another 527 called Floridians for Conservative Values. That group lists only a UPS box in a Tallahassee strip mall on its filings with the Florida Division of Elections, but IRS records reveal the group is run out of the West Palm Beach offices of Public Concepts Inc., a GOP political consulting firm that has also been doing work on the Meadows campaign.

In the 2006 election cycle, Floridians for Conservative Values spent \$231,036 promoting the "free exchange of thoughts and ideas through electioneering activities to support conservative principles and values in Florida," according to the group's tax filings. The group has raised more than \$1.1 million since 2004 from a myriad of contributors ranging from U.S. Sugar Corp. to Charles Hilton Jr., a Panama City attorney and developer.

Keep Our Families Safe isn't the only 527 helping Meadows. Last fall, Watkins helped a Bay County

police officer, Robert Sterling, set up a group called Neighbors for Safer Communities. That group distributed fliers to thousands of Bay County voters in February that lauded Meadows' work as state attorney.

A Neighbors for Safer Communities contributor list shows \$25,000 in contributions that included \$5,000 from companies owned by the family of Panama City lawyer Julian Bennett and \$5,000 from entities affiliated with Panama City restaurateur J. Carey Scott. Tallahassee highway contractor Charles W. Roberts, along with his brother and sister-in-law, kicked in another \$5,000 in individual and corporate donations. The committee made just one disbursement this year — \$24,890 to Public Concepts for "direct mail services."

Political end-run

Mark Herron, a Tallahassee attorney who specializes in ethics and election law, says the 527s are popular because they "give groups and entities an opportunity to more directly participate in the process" and provide more control over the volume and tone of the message.

527s also provide an end-run around limits on campaign contributions. Florida law limits political donations to \$500 per candidate per election, but the 527s — or, as Florida calls them, electioneering communications organizations (ECO) — aren't constrained by any limits. As long as groups don't directly advocate the election or defeat of a candidate by using the words "vote for" or "vote against," they can raise as much as they want.

And while federal campaign finance law strictly prohibits coordination between a federal candidate's campaign and a 527 group, Florida law makes no such prohibition. State and local candidates can even raise funds for an ECO that's running favorable ads about them.

Ben Wilcox, executive director of Common Cause Florida, says Florida's lack of regulation turns the 527s into "basically slush funds where people can make unlimited amounts of contributions, and then they're able to use to money for political ads." Florida's laxity, says Wilcox, creates "so many loopholes around the \$500 direct contribution limits to candidates that the limits are basically meaningless."

A bill that would have required the state Division of Elections to create a "Florida Campaign Sunshine" public website containing copies of all political advertisements, as well as any supporting documentation for the ads' claims, went nowhere in the last legislative session.

Meanwhile, a recent Supreme Court ruling has opened the floodgates for even more independent political advertising this year. The 2002 McCain-Feingold finance reform law made it a federal crime for corporations and labor unions to use funds to pay for broadcast ads that refer to a federal candidate and run within 30 days of a primary or 60 days of a general election. Last summer, the high court struck down those restrictions as unconstitutional.

In addition to 527s, political operatives this season will also use other vehicles such as 501(c)4s to get their messages out. 501(c)4s are non-profit social welfare organizations, and they are free to engage in political activity so long as it doesn't constitute their primary purpose.

While traditional 501(c)4s such as the National Rifle Association, the Sierra Club and the Planned Parenthood Action Fund have typically pursued narrow and specific policy interests, a new breed of 501(c)4s is focusing more generally on a broad ideology in line with particular parties and candidates. Like 527s, they can take in unlimited contributions, but the main feature of 501(c)4s is in their secrecy — the groups aren't required to disclose their contributors or how they spend their money.