

UNREGISTERED PACS ON RISE: CHANGE MADE IT EASIER TO REPORT CONTRIBUTIONS, HARDER TO TRACK THEM CAMPAIGN FINANCING | DONATIONS TO STATE CANDIDATES

[DeFOUR, MATTHEW](#). [Wisconsin State Journal](#); **Madison, Wis.** [Madison, Wis]10 Dec 2017: C.1.

The number of campaign donations to Wisconsin candidates and political groups from organizations not registered in the state has jumped since Republicans changed the state's campaign finance laws in 2015.

One likely reason for the increase is a change to registration requirements for political action committees (PACs) - a change that makes it easier for corporations and unions to report campaign contributions, but harder for the public to track them and their donors.

Previously, any group that contributed or spent more than \$2,500 had to register with the state. The new law requires a group to register only if more than 50 percent of its total expenses go to candidates or express advocacy in Wisconsin.

As a result, dozens of companies that spend money on national and state candidates across the country have terminated their Wisconsin PAC registration and are now giving to candidates directly from a national PAC. The national PACs still must register with the Federal Election Commission, but their activity in Wisconsin is harder to keep tabs on, said Matt Rothschild, executive director of the Wisconsin Democracy Campaign, which tracks campaign spending.

"This is the opposite of clean, open and transparent government," Rothschild said. "It used to be easy for citizens of Wisconsin to find out who these PACs were supporting because they had to report on their activities. Because of the cynical rewrite of our campaign finance law in 2015, these PACs don't have to report so it is nearly impossible for the citizens of Wisconsin to find out which candidate these vested interests are trying to buy - and whether that candidate then delivers for them in office."

According to the state's campaign finance information system, there were 643 donations from groups that aren't registered in the state in the 18 months from Jan. 1, 2016, when the new law took effect, through June 2017.

That's up more than 60 percent from 398 in the same 18-month period two years earlier and more than two-and-a-half times more than the 297 in the same period four years earlier.

However, that measure is incomplete because it relies on candidate and political committees identifying the group as unregistered in Wisconsin's campaign finance information system. The Wisconsin State Journal identified several examples where an unregistered committee was identified as registered by a candidate committee.

An analysis by the Wisconsin Democracy Campaign found about 200 groups have dropped their state registration since January 2016 and of those, 50 had affiliated national PACs that made donations to Wisconsin candidates totaling \$763,000.

According to the ethics commission, registrations for 155 PACs were terminated in 2017, up from 66 in 2015 and 80 in 2013 (both of those being years after an election cycle). However, ethics commission administrator Brian Bell noted those figures reflect when the commission acted on a termination request, not when the request was submitted. He said the increase could be related partly to a stepped up effort to process termination requests since the ethics commission replaced the Government Accountability Board last year.

Bell said one of the challenges for tracking PAC and other contributions in the current system is that there is no identification number for contributors. Campaign committees have requested a way to track contributors within their individual reports, but not across the entire campaign system, Bell said.

Previously, someone using the state's campaign finance information system could type in the name of, for example, Wal-Mart's PAC and view all donations the group made to candidates in the state. It's still possible to do a reverse search in the system based on candidate and political committee receipts and come up with a list of donations from Wal-Mart's PAC, but the committees don't always report a consistent name.

Some candidate committees identify donations from Wal-Mart's PAC as coming from Wal*PAC or WalPAC. Others use the formal title, "Wal-Mart Stores, Inc. PAC for Responsible Government." A system search turns up different results for Wal-Mart versus Walmart.

The Wisconsin Democracy Campaign identified \$49,500 in contributions from Wal-Mart's national PAC in the 18 months after the law changed. That's consistent with what the company previously reported spending from January 2014 through June 2015 from its state-registered PAC.

A Wal-Mart PAC spokesman didn't respond to a request for comment.

A spokeswoman for Burlington Northern Santa Fe Railway Co., which has a national PAC that spent \$63,500 on state candidates in the 18 months after the law passed, said the change in Wisconsin law hasn't resulted in any change in the PAC's political contributions, "it has just made the process more efficient and less redundant."

"BNSF complies with all Federal Election Commission reporting to also include disclosure of Wisconsin activity, and candidates receiving contributions from our federal PAC still report the contributions to the state," spokeswoman Amy Mc-Beth said.

Mike Wittenwyler, a Madison lawyer and expert on campaign finance who favors deregulation, said the previous law dates back to the 1970s before campaign finance reports were available and searchable online. He noted a national PAC's activities can still be found on the FEC website, even though the pool of donors for the PAC is much larger than the pool for the former state PAC.

"I don't know how one would criticize it," Wittenwyler said. "As long as you're sitting at a computer, you can always find who's giving to a PAC. You just need to find the right website."