



February 26, 2014

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GENERAL SESSION

February 19, 2014

Program Topic: Utah House Special Investigative Committee

**Presented by: Judiciary/Law Enforcement & Criminal Justice/
Political Subdivisions/Revenue & Taxation/
Transportation/Government Operations**

**Director: Hilarie Orman
Co-Chair: Sheryl Ginsburg**

**Speakers: Rep. Jennifer Seelig (D) Dist. 23, Salt Lake County
Special Investigation Committee
Sponsor, HB90 Women in the Economy Commission**

**Rep. James Dunnigan (R) Dist. 39, Salt Lake County
Special Investigation Committee**

Rep. Seelig first spoke about her bill **HB90 Women in the Economy**. It would create a two-year study group comprised of bi-partisan legislators from the house and senate, delegates from a cross section of businesses & non-profits (such as the YWCA), and statisticians & demographers from universities throughout the state. The committee would gather data on economic and population changes within work environments.

We need, she stressed, to facilitate our work settings so workers can utilize more flexible schedules. We have already studied our economy and intergenerational poverty. What we haven't done is gather data from women about their needs attendant to

maintaining a professional work output, while raising a family and being caregivers for a sick or aging family member. Three items that will be studied are (1) the four-day workweek (2) working from home and (3) home-based business licenses for cottage industries. Unfortunately, not all cities acknowledge home-based business. The approximate cost of **HB90** is \$70,000. However, federal funds would cover all but \$7,000.

Rep. Seelig next spoke of the Special Investigative Committee that investigated former Attny. Gen. (AG) John Swallow. Although she was reluctant to accept the assignment from Speaker Lockhart, it has turned out to be a most positive experience.

She found the committee was genuinely interested in solid research, rather than partisanship and games.

The findings of the committee fall into four main areas: (1) obstruction of justice (lost electronic records) (2) pay to play practices (payday lenders) (3) campaign finances (hiding money) and (4) special access (circumventing the rules for favors granted).

For example, it was found Mr. Swallow helped a family fix its mortgage in return for the family holding a fundraiser for him. He then suggested the couple doctor the fundraising number on the ensuing report. At that time, the AG's office was engaged in a lawsuit on behalf of thousands of Utah families in similar difficulties. But in order to sidestep a trail of impropriety, the AGs office dropped the lawsuit; thus leaving those families without any help.

Rep. Dunnigan said now that the investigative committee has completed its probe into the charges against former Attny. Gen. John Swallow, it will report its findings to the House of Representatives and begin to consider campaign finance reform. It is unfortunate to have to spend state money on professional legal counsel, but the investigation was quite complicated and needed to be done correctly. He noted a similar investigation recently done by the Wyoming legislature that now needs to be re-done because they opted to do it without professional legal help. If any good news is to be found here, it's only that the necessity of such investigations is not the norm in our state.

Asked to chair this committee, Rep. Dunnigan said he first queried House Speaker Lockhart as to exactly how they should proceed. She responded to simply "go wherever the investigation takes you; be independent and be fair."

Two bills have already been filed in connection with the committee's findings. One would improve the way investigative committees will function in the future. Another deals with campaign finance limits. More bills will probably be forthcoming. The committee's report should be finalized in three weeks and the results made public.

Responding to questions, Rep. Seelig said although the focus of the committee was Mr. Swallow, threads were uncovered and followed that led to former Attny. Gen. Mark Shurtleff. These have been discussed in public meetings and will be part of the documentation provided to the District Attorney's office and other investigative bodies. The investigation has cost \$3.8M, but will yield needed adjustments in existing campaign rules and disclosure laws.

Reported by Stuart Gygi

"Dark money" is a term that refers to funds used to pay for an election campaign that are not disclosed to voters. One of the facts uncovered by the house investigation is that \$450,000 in dark money came through a circuitous "daisy chain" route of various organizations that ultimately led to Payday lenders as the source. Some of this money was even masked as tax-exempt 501(c)(4) money. The committee has turned this information over to the Internal Revenue Service.

A portion of dark money was used to run attack ads against Mr. Swallow's opponents. Some was used to pay for "push polls." A push poll is a negative campaigning technique that attempts to alter the view of voters under the guise of conducting a poll. It is, in essence, a form of telemarketing-based propaganda and rumor mongering, masquerading as a poll. \$50,000 of dark money was also used for mailers attacking former Rep. Brad Daw.

Responding to questions, Rep. Dunnigan said the house investigative committee has drafted legislation as a result of its findings. For example, it is currently legal for a candidate's campaign manager to make use of some campaign funds without disclosure. New legislation will call for that accountability.

He said the committee, along with the Lt. Gov. did an investigations check on when emails were lost from the AG's office. They turned out to have been deleted months

before they were said to have been inadvertently lost in an office move.

The former AG also transferred some of his entity holdings to his wife the day before filing as a candidate, so as to comply with conflict of interest requirements. Although not illegal, Rep. Dunnigan said the practice is certainly not ethical, and new legislation will include a "one year look-back" into legislators' holdings. A final audit of the former AG's office has not been scheduled, as yet.

Reported by Pam Grange

General Session II

Program Topic: Campaign Finance Reform

**Presented by: Judiciary/Law Enforcement & Criminal Justice/
Political Subdivisions/Revenue & Taxation/
Transportation/Government Operations**

**Director: Hilarie Orman
Co-Chair: Sheryl Ginsburg**

**Speakers: Rep. Brian King (D) Dist. 28, Salt Lake, Summit Counties
Sponsor, HB297 Campaign Finance Amendments**

Rep. Brian King began his remarks by acknowledging Women's State Legislative Council to be especially close his heart. His mother was president of the organization in the 1970s.

He is running **HB297 Campaign Finance Amendments** for a third year. It draws from the recommendations of Gov. Huntsman's Commission on Strengthening Democracy (2008-2009) with regard to campaign contributions. Caps (upper limits)

would be established at \$10,000 for statewide offices and \$5,000 for legislative offices. Rep. Kraig Powell (R) is preparing a similar bill. The house is holding its bills until all campaign finance bills are ready to go. It will be more efficient to consider them together.

Utah is one of only four states that have no limits on campaign contributions, except during the legislative session. He spoke of the influence contributions can bring to bear

on a candidate or legislator. Although legislators may deny it, Rep. King said human nature is such that money will always exert varying degrees of pressure. Limiting campaign contributions will reduce that influence.

He pointed to the problematic effects of John Swallow's raising large sums of money for his mentor, former Atty. Gen. Mark Shurtleff. Most states, as well as the federal government itself, have already established limits on individual contributions to individual candidates. Polls also indicate a majority of Utahns favor contributions caps. Rep. King urged citizens to contact their legislators to support **HB297**.

Responding the questions, Rep. King expressed ambivalence about the *Count My Vote* Initiative. He doesn't believe a straight primary is necessarily the best system. Primaries are expensive and give a huge advantage to candidates with name recognition. On the other hand, the current caucus system is not perfect, either. He favors Senator Bramble's bill (**SB3001 Campaign Finance Amendments**) because it combines the best elements of the primary and caucus systems.

Reported by Stuart Gygi

NOTE: WSLC was pleased to welcome an unexpected guest speaker at the conclusion of its weekly General Session. In the Capitol Building on other business, **U.S. Sen. Mike Lee** stepped into the meeting to address WSLC membership.

He said one of his primary goals in Washington is to assist in the re-emergence of our country's economy. American capitalism is meant to remove artificial limits on the economic opportunities its citizens. At the same time, he faulted "crony capitalism" (*a term describing an economy in which success in business depends on close relationships between business people and government officials*) for now being used to artificially prop up special interests.

Many federal government policies, he charged, tend to freeze the poor in their economic place by disincentivizing them from work. "Poverty traps" ensnare parents, for example, who don't dare risk going off welfare programs and losing poverty-level subsidies for their children in order to reach for something better.

Reported by Pam Grange

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