

☆☆☆ News Release ☆☆☆

Texans for Public Justice ** 609 W. 18th Street, Suite E, ** Austin, TX 78701

For Immediate Release:
October 24, 2002

Contact: Craig McDonald, Andrew Wheat
PH: (512) 472-9770

Luddite PACs & Candidates Hide \$8 Million In Political Funds From Electronic Disclosure

Austin, TX: In the first 18 months of the 2002 election cycle, 168 state candidates and 66 large PACs raised \$7.8 million that they failed to disclose electronically. These “Luddite” candidates and PACs dodged the public interest in electronic disclosure by either flouting Texas’ electronic-filing law or exploiting its gaping loopholes, according to a new Texans for Public Justice report.

“Texas politics is crawling with Luddites who need to be dragged kicking and screaming into the computer age,” said Texans for Public Justice Director Craig McDonald. “Politicians should not be able to accept contributions that they refuse to disclose on the Internet.”

The Texas Legislature enacted a 1999 electronic-filing law that requires most state candidates and PACs to file campaign-finance reports in a computerized format that the Texas Ethics Commission posts on the Internet. This electronic-filing law contains two major loopholes that exempt candidates and PACs that claim that:

1. They do not intend to raise or spend more than \$20,000 a year; or 2. Neither they nor their agents use computers to track campaign finances. The new TPJ study reveals 234 large PACs and major-party candidates that failed to file one or more electronic disclosure reports between January 2001 and July 2002.

Led by several Republican Party PACs, nine PACs and 12 candidates appear to have dodged electronic filing without obtaining legally required exemptions. Although the plain language of the law does not grant special treatment to the PACs of political parties, the Texas Ethics Commission staff appears to have unofficially exempted certain party PACs from the electronic-disclosure requirement. Some of these PACs raise hundreds of thousands of dollars and take direct corporate contributions.

Major findings of the new report, *Luddite PACs & Candidates*, include:

- The 168 major-party Luddite candidates included: 131 legislative candidates (77 of whom survived the primaries); 20 judicial candidates (including 14 primary survivors); 15 Board of Education candidates (nine of whom survived their primary); and two statewide-office candidates (who lost their primaries).
- The Luddite Senate candidates shrouding the most money from the Internet are: Mario Gallegos (D-6), \$80,618; Jon S. Lindsay (R-7), \$23,400; and, Terry M. Smith (D-4), \$18,733.

- Luddite House candidates who survived their primaries and shrouded the most money from the Internet are: Ruben Hope (R-16), \$115,390; W. Kenneth Paxton (R-70), \$113,360; Eugene Seaman (R-32), \$94,866; Joe Crabb (R-127), \$87,021; and Rene Oliveira (D-37), \$75,635.
- The Luddite PACs that kept the most money off the Internet are: the Texas Republican Party (\$968,993); Texas Consumer Finance Association (\$139,702); Harris Co. GOP-PAC (\$137,500); Harris Co. Republican Party (\$114,066); and the Texas Tea PAC (\$100,435).

For the full report, including reform recommendations, go to: <http://www.tpj.org/reports/luddites02/>