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ALEC'S SEVEN DEADLY SINS

PROGRESSOHIO

GROWING OHIO'S GRASSROOTS



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KEY FINDINGS & UPDATES

Earlier this year, Progress Ohio and key allies issued “ALEC in Ohio: The Corporate Special Interests that Help Write Ohio’s Laws,” about the extraordinary influence of the American Legislative Exchange Council (ALEC) in the Buckeye state. Since then, even more shocking information has been discovered about the hidden power of ALEC in the operations of the Ohio legislature and the relationships between Ohio lawmakers and the lobbyists that pay to play through ALEC. Some of these revelations include:

- **The Director of Scheduling for the Ohio House speaker was asked to rearrange the 2012 session dates around ALEC events.**
- **Senior staff from ALEC advised a legislator handling requests from the press that, “Actually, it would help ALEC out a lot on this issue if they said that they didn’t use ALEC model legislation.”**
- **Hundreds of Statehouse emails were sent during work hours solely to schedule legislators for free dinners from lobbyists at ALEC events. The lobbyist battles to take certain lawmakers out to dinner are so intense that a legislative staffer resorted to lying.**
- **Despite ALEC’s claims of non-partisanship, legislative staff circulated a membership recruitment letter to Republicans only.**
- **ALEC’s co-chair was incredulous that a corporation received 3 tickets to an ALEC event at a baseball game for “a lousy \$1,000.”**

Since the first ALEC in Ohio report in February¹:

- The Center for Media and Democracy published a report questioning the legality of undisclosed baseball game tickets distributed to legislators through a lobbyist at an ALEC after-hours event.² Ohio Legislative Inspector Tony Bledsoe has promised a follow-up clarification to ethics rules to address similar situations.³
- An Ohio clergy group and the former director of the charitable division of the IRS filed a complaint alleging that ALEC has likely broken “civil and criminal tax laws.”⁴
- Common Cause filed a whistleblower complaint with the IRS along with 48 pounds of supporting documents in support of its claim that ALEC is a “corporate lobby masquerading as a charity.”⁵
- As of August 16th, 70 state legislators nationwide have cut ties with ALEC, along with 36 corporations and non-profits.

WHAT IS ALEC?

ALEC is a 501(c)(3) non-profit organization that provides a tax-deductible way for corporations to get special-interest legislation passed into state law. Since its founding in 1973, ALEC has grown into a very influential player in state politics, by secretly spreading corporate-approved “model” bills.

According to ALEC’s last publicly accessible legislative “scorecard,” **826 ALEC model bills were introduced in state legislatures around the country and 115 enacted in 2009.** That model legislation is often drafted by lobbyists and lawyers from the nearly 300 corporations tied to ALEC. Corporations vote as equals on ALEC’s issue “task forces” and are given the opportunity to veto legislator-drafted bills which they oppose.

These legislator-lobbyist task force meetings happen several times a year at posh hotels across the country. State legislators and lobbyists also engage in prodigious corporate fundraising for state “scholarship funds” which reimburses legislators who take advantage of these often lavish trips. For example, **State Rep. Seth Morgan received \$3,454.36 for a single trip in 2009.** That amount included \$750 to babysit his three children at ALEC’s “Kid’s Congress,” \$530.34 for mileage, and meals for his entire family on the drive to Atlanta and back.⁶

ALEC is deeply entrenched in Ohio, claiming over half the Statehouse as members.⁷ During a nine-month span in 2011, 33 bills were introduced in Ohio containing elements from 64 different ALEC model proposals. **An internal set of ALEC talking points credits Gov. John Kasich as someone who “helped mold ALEC in its formative years.”**⁸ Kasich served as legislative



Gov. Kasich Attending an ALEC event.

aide⁹ to an Ohio state senator who was ALEC’s longest serving National Chairman.¹⁰ State Senator Bill Seitz currently sits on ALEC’s national board of directors and has long co-chaired ALEC’s tort task force with Victor Schwartz, the corporate lawyer who has spent years spearheading efforts to change state and federal laws to make it more difficult for Americans injured or killed by corporations to hold companies accountable. Ohio House Majority Whip John Adams and Time Warner Cable lobbyist Ed Kozelek serve as ALEC’s Ohio State Co-Chairs.¹¹ Together, under ALEC’s published bylaws, Adams and Kozelek are tasked with a duty to raise money from corporations for trips for ALEC legislators and get ALEC’s model bills introduced into law.

The record of ALEC’s influence in Ohio that has emerged from materials that are now public paint a troubling picture of the seven deadly sins: envy, gluttony, greed, lust, pride, sloth, and wrath. These portraits help illustrate why growing numbers of Ohioans and other Americans are increasingly concerned about ALEC’s agenda, its corruption of the democratic process, and the disturbing attitudes and actions of ALEC members.

ENVY: “THE ONLY REASON WE’RE NOT GOING TO HAVE A FIGHT ABOUT BLESSING TOO IS THAT TIME WARNER DOESN’T KNOW HE’S COMING.”

Judging by Statehouse email records obtained by CMD’s investigative reporter Beau Hodai, one could easily get the impression that ALEC mainly functions as a reservation service for lobbyists seeking to wine and dine legislators. **Several hundred emails were sent during business hours by state employees with a single goal in mind – scheduling the perfect dinner party for key legislators and lobbyists.**

As Hodai noted on CMD’s PRWatch, at the center of the scheduling storm is Kara Joseph, ALEC Volunteer of the Year, and legislative aide for ALEC Legislator of the Year Rep. John Adams. Prior to the 2011 New Orleans conference, Joseph made an attempt to balance lobbyist egos and legislator schedules by sending out an email to other aides declaring, “Please do not schedule your bosses for any dinners while at ALEC in New Orleans. All dinners are being scheduled through me.”¹²

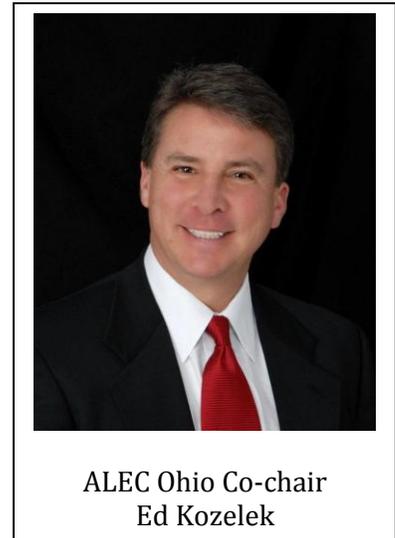
ALEC’s Phoenix conference created an even tougher scheduling problem, since, as Joseph wrote, **“we have more lobbyist groups requesting dinners with members than we have nights available.”**¹³

Envy over who gets to buy meals for legislators and their spouses finally reached a crescendo about two weeks out from the Phoenix event. **Dinner jockeying was so intense that staff felt it necessary to sneak members of the Republican leadership into the conference city unannounced, as illuminated by this exchange:**

Time Warner Cable lobbyist and ALEC state co-chair, Ed Kozelek, emails Rep. Adams’ staffer Joseph: “Don’t see Sweet Lou [Blessing] or Rosenberg on this list. Do you know if they are going?”

Joseph replies, “None of them are coming.”^{14 15}

Sixteen minutes later, she emails AT&T lobbyist Gary Koch, telling him that he cannot buy a meal for Rep. Andy Thompson, because she “need[s] to put him with Time Warner.” However, he could buy dinner for Speaker Pro Tempore Lou Blessing and his wife, but only because **Joseph resorted to lying to other lobbyists about his attendance minutes earlier.** As she explained to Koch, “The only reason we’re not going to have a fight about Blessing too is that Time Warner doesn’t know he’s coming.”¹⁶ Unlike Time Warner, AT&T is a long-standing member of ALEC’s corporate board of directors.



GLUTTONY: “WHO NEEDS A DINNER FOR FRIDAY”

The extracurricular schedule at ALEC’s August 2011 conference in New Orleans was so jam-packed that each Ohio legislator received a custom itinerary.

Lobbyists hosted after-hours events for legislators at some of New Orleans’ choicest restaurants. **BP and Ohio Petroleum held their legislator event at Antoine’s, which currently features a \$152.75 a person fixed price option.**¹⁷ (The precise menu of dinner and drinks that evening has not been disclosed). Lobbyist Gary Koch planned a dinner for 24 people at a Bourbon Street steakhouse. Sean Dunn’s lobbying firm sponsored a legislator cigar night¹⁸ at “the Mount Rushmore of bars.”¹⁹

If there is any doubt as to why lobbyists scramble over the privilege to pay for these very expensive meals, look no further than an email from Dunn. He told legislative employee Joseph

that at ALEC’s Phoenix conference he “need[s] a good public utilities dinner...(doesn’t that sound fun!)”²⁰ His current lobbying clients include the American Coalition for Clean Coal Electricity and Dayton Power and Light.²¹ Dunn later goes on to Joseph a list of dinner “targets” which includes “**anyone who needs a dinner for Friday.**”²²



Antoine’s, site of BP’s ALEC dinner for Ohio legislators.

The meal took place at a restaurant at the The Royal Palms Resort, where the average price is over \$50 a person.²³ This fabulous and free offer to those in need of a dinner did not extend to the 1.75 million Ohioans receiving food stamps in 2011.²⁴ His targets were all Ohio legislators.

GREED: “A LOUSY \$1000”

Paying \$1,000 for three regular season tickets to see the Cincinnati Reds would strike most people as daft. However, in the parallel universe that ALEC operates in, this is a suspiciously low sum, bordering on offensive.

Financial sector lobbyist Tom Ruebel of the Fifth Third Bank had pledged a \$1,000 tax-deductible donation to ALEC. His understanding was that for that sum he would get tickets, and the accompanying legislator access, for three of his colleagues. Ruebel reneged on his donation after his team was initially turned away at the registration table. He characterized the incident as a, “Weird approach to cultivating donors on the part of ALEC.”²⁵



Rep. Adams’ staffer Joseph recounted her version of that evening’s events, concluding with, “We thought it was strange that they were getting 3 people in for only a thousand dollar donation.”

Ed Kozelek replied, “Well who approved them getting to send 3 people for a lousy \$1000.”

The state employee tasked with helping ALEC agreed that \$1,000 was suspiciously low, saying, “My thoughts exactly.”²⁶

LUST: “ALSO WHY AREN’T WE GOING TO KING’S ISLAND?”

Rep. Peter Beck emailed Joseph for his free tickets to the Reds game, provided by Time Warner Cable. He requested four tickets for the game and buffet, two for himself and his wife and two more for an adult child and her friend. **These tickets have a fair market value of at least \$300.**²⁷



He went on to lament, “Also why aren’t we going to King’s Island?”²⁸

Beck is a 60 year-old man, who makes \$61,100 for his job as a legislator, plus an additional salary as partner at a successful accounting firm, Donohoo, Cup & Beck. Yet, he coveted this missed opportunity for a free trip to an amusement park. Tragically, he was only given two free ballgame tickets. Rep. Andy Thompson received five, but Kozelek and Joseph agreed it was best to keep that a secret from the other legislators.^{29 30}

PRIDE: “IT WOULD HELP ALEC OUT A LOT ON THIS ISSUE IF THEY SAID THAT THEY DIDN’T USE ALEC MODEL LEGISLATION.”

ALEC walks a number of tightropes. It is organized as a charitable 501(c)(3) non-profit, yet counts innumerable lobbyists among its membership and plays a key role an astonishing amount of legislation becoming law. It holds a tight veil of public secrecy over much of its operations, while needing to maintain a high enough profile to raise around \$7 million a year in dues and donations from corporations and corporate foundations.³¹

ALEC’s current foray in the public conscience began in earnest last spring. Right at the beginning of this wave, Lois Ramano, then reporting for the *Washington Post*, reached out to ALEC for help connecting with an Ohio or Kansas lawmaker for a story about voter ID laws.³²

Raegan Weber, who was then ALEC’s Senior Director of Public Affairs handled the request and contacted Ohio Sen. Seitz, using his law firm email address instead of his legislative address. **This nominally placed the email outside the scope of public records laws and perhaps encouraged her to speak more openly.**



Seitz said he was unsure of the provenance of Ohio’s voter ID bill and points Weber in the direction of Rep. Adams and former Rep. Bob Mecklenborg, saying they are the point people on the issue the state. Weber replied, **“Actually, it would help ALEC out a lot on this issue if they said that they didn’t use ALEC model legislation.”**³³

In the story that ran in the *Post*, Mecklenborg isn’t quoted mentioning, or in any way crediting, ALEC for Ohio’s voter ID law.³⁴

A side-by-side analysis of Ohio’s ID law and ALEC’s model found that while Ohio’s bill is more comprehensive, **“both bills have nearly the same content.”**³⁵

SLOTH: “MAKE SURE SESSION DOESN’T GET SCHEDULED ON ANY OF THESE DAYS.”

In some quarters of the Statehouse, so much time is devoted to ALEC conferences and the corresponding free dinners, cigars, and entertainment it’s apparently easy to lose focus on the public governance legislators, and their staff, are meant to be doing.

After receiving the 2012 ALEC conference schedule, state employee Joseph forwarded the dates to Speaker Batchelder’s director of scheduling. She attached a note saying, **“make sure session doesn’t get scheduled on any of these days. If the meetings are far away, expect that members will need to stay the day before and the day after in travel.”** If heeded, these instructions could easily wipe away entire weeks from the legislative calendar.³⁶

WRATH: “WE CAN HELP DELIVER MORE R VOTES FROM THE 78TH HOUSE DISTRICT IN 2012.”

The connections legislators make at ALEC conferences are largely with corporate lobbyists interested in getting special interest bills passed. However, there are other parties with different priorities attending ALEC events as well.

For example, CATO’s manager of external affairs emailed Rep. Adams on August 15, 2011 after meeting up at the New Orleans ALEC conference. She understood from her conversation with Adams that **“Gov. Kasich intends to implement” a health care exchange in Ohio**. She offers to send CATO health care experts to testify for stopping the exchange which, in her estimation, “merely greases the skids for a smooth implementation of ObamaCare.”³⁷

Nearly a year later, neither Kasich nor his Lt. Gov., and head of the Department of Insurance, Mary Taylor, have made any public steps towards implementing a health care exchange.

Wes Farno, the vice president of the D.C.-based Advocacy Group, Inc., also met up with Rep. Adams at an ALEC conference. Farno had two requests of Adams. One was to **“talk about how we can deliver more R votes from the 78th House District in 2012.”** (Adams represents that district.) The second was requesting Adams’ help in a comprehensive campaign being paid for by the Consumer Energy Alliance (CEA) to stop the **“EPA Train Wreck,”** which is also the name of one of ALEC’s major documents to advance its legislative agenda to impede regulations to protect our health and our environment.



An investigation by *Salon* found that CEA is a sophisticated front group fighting for the controversial Keystone XL pipeline from Canada to Texas for exporting oil to other countries as well as the expansion of fracking for methane gas, which has been blamed for some earthquakes in Ohio.³⁸ CEA also opposes carbon emission standards, despite the concerns of numerous scientists about the role of carbon dioxide in climate changes that are underway in Ohio and across the globe. CEA is bankrolled in part by global oil company BP, which was also the top sponsor of ALEC’s New Orleans conference (for a donation believed to be at least \$100,000), in the aftermath of BP’s disastrous oil well explosion in the Gulf of Mexico.³⁹ BP has also donated \$2,200 to Adams.⁴⁰ In addition, Chevron, ExxonMobil, and Shell are also major funders of both CEA and ALEC.⁴¹

Joseph probably didn’t realize any of this when she responded to the EPA train wreck suggestion from CEA, “I like the idea. **It seems like it might be something that ALEC would already be working on.**”⁴²

ENDNOTES

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- ¹ <http://site.pfaw.org/pdf/ALEC-in-Ohio.pdf>
 - ² <http://www.prwatch.org/NODE/11498>
 - ³ <http://www.daytondailynews.com/news/lobbyist-supplied-free-tickets-to-reds-game-1382056.html>
 - ⁴ <http://www.motherjones.com/politics/2012/07/alec-irs-tax-exempt-challenge>
 - ⁵ <http://www.commoncause.org/site/apps/nlnet/content2.aspx?c=dkLNK1MQIwG&b=4773613&ct=11720653>
 - ⁶ ALEC Exposed Source Documents #29, p. 49-52
 - ⁷ <http://www.prwatch.org/files/Ohio-2012-Hodai-10.pdf>, p. 73
 - ⁸ ALEC Exposed Source Documents #14, p. 18
 - ⁹ Appalachian Regional Commission, "Ohio Governor John Kasich," 2012.
 - ¹⁰ American Legislative Exchange Council, "Former ALEC National Chairmen," 2012.
 - ¹¹ ALEC Exposed Source Documents #14, p. 18
 - ¹² <http://www.prwatch.org/files/Ohio-2012-Hodai-11.pdf>, p. 32
 - ¹³ <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-8.pdf>, p. 2
 - ¹⁴ <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-8.pdf>, p.95
 - ¹⁵ <http://www2.ilec-olig.state.oh.us/olac/Reports/ViewAgent.aspx?id=280>
 - ¹⁶ <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-8.pdf>, p.97
 - ¹⁷ http://www.antoines.com/menus_dinner.html
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 - ¹⁹ http://blog.nola.com/anguslind/2008/11/pat_os_turns_75_this_week.html
 - ²⁰ <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-8.pdf>, p. 101
 - ²¹ <http://www2.ilec-olig.state.oh.us/olac/Reports/ViewAgent.aspx?id=576>
 - ²² <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-8.pdf>, p. 108
 - ²³ <http://www.opentable.com/t-cooks-at-the-royal-palms-resort>
 - ²⁴ <http://ohcafoodstampchallenge.blogspot.com/2012/04/house-panel-okays-33-billion-in-food.html>
 - ²⁵ <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-15.pdf>, p. 175
 - ²⁶ <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-15.pdf>, p. 177
 - ²⁷ http://cincinnati.reds.mlb.com/cin/ticketing/seating_pricing.jsp
 - ²⁸ <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-14b.pdf>, p. 53
 - ²⁹ http://www.tos.ohio.gov/state_salary
 - ³⁰ <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-15.pdf>, p. 101
 - ³¹ <http://www.ms magazine.com/news/uswirestory.asp?ID=13565>
 - ³² <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-15.pdf>, p. 6
 - ³³ <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-15.pdf>, p. 5
 - ³⁴ http://www.washingtonpost.com/politics/states-new-gop-majorities-governors-have-made-mark-on-a-wide-range-of-issues/2011/04/11/AFNk3DJE_story.html
 - ³⁵ ALEC in Ohio, p. 24
 - ³⁶ <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-7.pdf>, p. 91
 - ³⁷ <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-5.pdf>, p. 140
 - ³⁸ http://www.salon.com/2011/12/15/big_oil_and_canada_thwarted_u_s_carbon_standards/singleton/
 - ³⁹ <http://thinkprogress.org/climate/2011/08/05/288979/revealed-bp-is-top-funder-of-alec-annual-meeting-in-oil-soaked-louisiana/>
 - ⁴⁰ http://www2.sos.state.oh.us/pls/cfonline/f?p=119:45:2722547517035055::NO::P45_ENTITY_ID:529
 - ⁴¹ <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-15.pdf>, p. 162, 163
 - ⁴² <http://dbapress.com/wp-content/uploads/2012/03/Ohio-2012-Hodai-15.pdf>, p. 162