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ONE DOLLAR

Push on to block some campaign contributors

*Group says banning
contractors, lobbyists
would curtail corruption*

By Steve Terrell
The New Mexican

Many of the investigations, indictments and convictions of New Mexico politicians in cases involving alleged and admitted corruption in recent years have one thing in common.

State contracts.

"The common denominator in each of these recent scandals is public contracts worth millions of dollars," a new report by Think New Mexico says. "Because of the high stakes, there is a temptation of individuals

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and businesses seeking government contracts to make political contributions to the elected officials who will decide whether to award them the contract. Meanwhile, for elected officials running increasingly expensive campaigns, there is a similar temptation to accept those contributions."

So the independent think tank is proposing and will be lobbying for a bill that would prohibit contractors, lobbyists and those seeking government subsidies from making campaign contributions to state or local officials who have the power to influence the contract or subsidy. The proposal also would outlaw "bundling" — the practice of rounding up campaign contributions from friends, employees or others — by contract or subsidy seekers or lobbyists.

"If we do not curtail the traditional paths for 'pay to play' corruption by banning contributions from contractors and lobbyists, it will be even more difficult to address all of the other contentious issues which urgently require policymakers' attention," Think New Mexico's report says.

If passed as Think New Mexico envisions it, the bill would be one of the toughest in the nation. Currently, seven states either prohibit or ban contributions from lobbyists. Seven states also ban or limit contributions from state contractors. Only two states, Connecticut and Kentucky, are on both lists.

Reform's bumpy road

Ever since the 2005 arrests of two New Mexico state treasurers (Robert Vigil and Michael Montoya, both of whom eventually were convicted on federal corruption charges) the Legislature has attempted to pass ethics reform bills.

A few bills have become law. In 2007, for instance, lawmakers passed and Gov. Bill Richardson signed a bill limiting the amount of gifts officials can receive from lobbyists and others. This year, campaign contribution limits finally made it through after several years of trying, as did a bill to open conference committees to the public.

But several ethics proposals, including the creation of an Ethics Commission modeled after the state Judicial Standards

Commission, have been left dying on the legislative vine.

Why does Think New Mexico think it can get this bill passed?

Look at the think tank's record, executive director Fred Nathan said in an interview last week. Among the issues Think New Mexico has successfully pushed through the Legislature are ending gross-receipts tax on food, establishing full-day kindergarten, reforming title insurance and the state lottery.

Instead of offering packages of bills, Think New Mexico concentrates on one issue at a time, usually consisting of one bill.

However, the proposed ban on contributions from contractors and lobbyists probably won't be the only ethics bill in the 2010 Legislature. Both Lt. Gov. Diane Denish and Attorney General Gary King, for instance, have talked about backing bills to establish an Ethics Commission.

For any nonfinancial bill to be considered in a 30-day session — which is what the 2010 session will be — it must be put on a "call" by the governor. Gov. Bill Richardson has been supportive of ethics bills in the past.

What lobbyists think

When longtime lobbyist Tom Horan was informed about Think New Mexico's proposal, he said, "Well, that would be money in my pocket." He said he usually donates \$6,000 to \$10,000 a year to candidates or leadership committees, which distribute funds to various candidates.

But Horan said he wonders who would finance legislative races if not the lobbyists and their clients.

According to 2008 figures compiled by the National Institute on Money in State Politics, lobbyists and lawyers contributed more than \$1 million to state candidates. The only sectors that donated more were the energy and natural resources industries, which contributed more than \$1.7 million, and political parties, which donated more than \$1.4 million.

The bill would mean cheaper campaigns with less advertising, Horan said. This, he said could help incumbents, who would have the advantage of name recognition.

But, Horan said, "I don't think (the bill) will go anywhere."

Another veteran lobbyist, who asked not to be named, said the proposed ban on lobbyist contributions, "Doesn't hurt my feelings any." A few legislators, the lobbyist said, have come to expect campaign contributions, meals and other favors from lobbyists: "It's expected rather than appreciated. It didn't used to be that way. Committees didn't expect to be taken out to dinner every night and have all their meals paid for."

Historical perspective

Last week, alleged political corruption in New Mexico made the national news again.

Saul Meyer, a Dallas investment executive who pleaded guilty to securities fraud in a New York public pension fund "pay-to-play" scandal, admitted he recommended New Mexico investments to benefit "politically connected individuals" in this state, even though he knew some of those investments weren't in New Mexico's best economic interest. Meyer was

CEO of Aldus Equity, which handled investments in New Mexico for the State Investment Council and the New Mexico Educational Retirement Board. No New Mexico charges have been filed against Meyer or any of his unnamed "politically connected individuals."

Though it's been in the news frequently in recent months, political corruption in this state hardly is new.

According to Think New Mexico's report, it goes back at least to the state's territorial days.

"The Lincoln Country War (1878-1881), which is usually recalled as a backdrop for the exploits of Billy the Kid, began as a political fight over government contracts for beef and other provisions," the report says. "Those government contracts were heavily influenced by the patronage of the powerful 'Santa Fe Ring,' a group of lawyers, judges, businessmen and politicians from both parties who gained control of the territorial legislature and dominated the economic life of New Mexico by manipulating public offices for private gain."

The report quotes historian David Holtby in a recent essay titled "Statehood Era and the Federal Presence in New Mexico," who argues the Santa Fe Ring damaged the reputation of the state.

"In the minds of many influential people in Washington D.C. in the 1880s and 1890s, New Mexico Territorial politics indelibly soiled its reputation."

President Theodore Roosevelt endured headaches from New Mexico corruption. "Roosevelt fired two territorial governors, including one of his own appointees who had approved a fraudulent land transaction at the behest of the Santa Fe Ring within a few months of moving to New Mexico."

The Think New Mexico report says, "Unfortunately this culture of corruption has continued into modern times. It can be seen in the troubling attitude that this is simply how we do business in New Mexico."

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