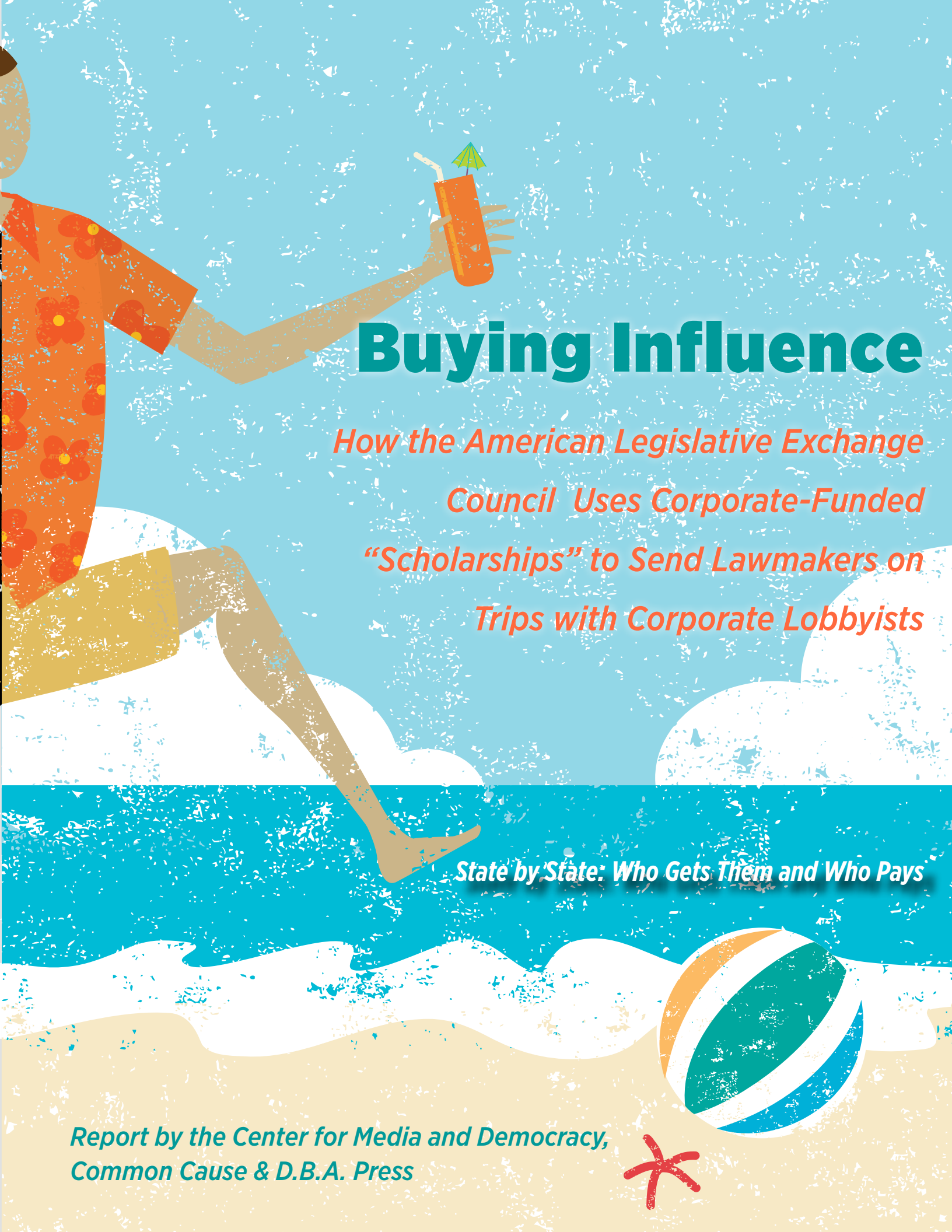


Buying Influence

How the American Legislative Exchange Council Uses Corporate-Funded "Scholarships" to Send Lawmakers on Trips with Corporate Lobbyists

State by State: Who Gets Them and Who Pays

Report by the Center for Media and Democracy, Common Cause & D.B.A. Press





A project of the **Center for Media and Democracy**



Acknowledgments

This special report was written by **Lisa Graves**, the Executive Director of the **Center for Media and Democracy** (CMD), an investigative watchdog group that publishes **PRwatch.org** and **SourceWatch.org** and that created **ALECexposed.org** in July 2011 after a courageous whistleblower provided CMD with bills secretly voted on by corporate lobbyists and state legislators behind closed doors at meetings of the American Legislative Exchange Council. CMD was joined by **Common Cause** in investigating ALEC, along with an exposé in **The Nation magazine** and the investigative reporting of **Beau Hodai**.

This initiative has grown through the efforts of **People for the American Way**, the **Leadership Conference on Civil and Human Rights**, **Color of Change**, **Progress** affiliates, **labor unions**, **Greenpeace**, countless other watchdog groups and bloggers at **VLTP**, **Daily Kos** and other sites, along with activists helping to expose ALEC. The result has been hundreds of news stories about ALEC.

As a result of innumerable collaborative and individual efforts, more people are aware of ALEC, its agenda, and its corporate-funded operations than ever before.

For this report, data on ALEC "scholarships" were obtained through open records requests and other research by **D.B.A. Press** founder and freelance investigative reporter/CMD contributor **Beau Hodai; Brendan Fischer**, CMD's Staff Counsel; **Nick Surgey**, Staff Counsel of the watchdog group **Common Cause**; and **Caroline Isaacs** of the **American Friends Service Committee-Tucson.**

Assistance for this report was provided by Beau Hodai and **CMD**'s staff—**Mary Bottari**, **Brendan Fischer**, **Rebekah Wilce**, **Friday Thorn**, **Sara Jerving**, **Harriet Rowan**, **Alex Oberley**, **Sari Williams**, and former staffers **Eric Carlson** and **Max Abbott**, as well as **Common Cause**'s **Arn Pearson**, Vice President for Policy and Litigation; **Doug Clopp**, Director of Strategic Partnerships; and **Nikki Willoughby**, Director of Public Engagement.

This report builds on early efforts to sound the alarm about ALEC over a decade ago by **People for the American Way** and the **National Education Association**, among others. It is also indebted to earlier coalition work through "ALEC Watch," which was led by the **Defenders of Wildlife** and the **Natural Resources Defense Council** and produced a work called "Corporate America's Trojan Horse in the States," with a detailed survey of state ethics laws in relation to ALEC.

Any questions about the material in this report can be sent to **editor@ALECexposed.org, grassroots@commoncause.org, or publisher@dbapress.com.**

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Executive Summary

The American Legislative Exchange Council (ALEC) has raised and spent an estimated **$4 million in funds from its corporate backers** since 2006 to pay for state lawmakers' trips to meet with corporate CEOs and lobbyists at ALEC sponsored events at posh retreats, according to internal ALEC documents and other investigative work.

This special report analyzes information obtained through open records requests from D.B.A. Press, a site featuring original investigative reporting and source materials; the Center for Media and Democracy; and Common Cause—information that ALEC has tried to keep a closely guarded secret.

Although ALEC claims to be a tax-exempt "charity"—a status now under legal challenge by Common Cause and others—it has quietly raised and spent millions from some of the biggest corporations in the world over the past decade to fly state lawmakers around the country to resorts where they are wined and dined by corporate leaders and lobbyists, and treated to exclusive parties at professional baseball games, cigar parties, and skeet shoots, all at ALEC corporations' expense.

> **The scheme works like this: ALEC state chairs (hand-picked legislators and private-sector members) solicit corporate money that goes into a "Scholarship Fund" that is then used to pay for lawmakers' trips. Records show that ALEC legislators know who's paying their way—some state leaders even urge lawmakers to send thank-you notes to their patrons—but everyone else is kept in the dark.**

ALEC claims to the IRS that it does not have to report the money spent on elected officials because it is just holding the funds "in trust" for lawmakers. But at the same time, it promises corporate donors that they can get a tax write-off for their donations.

This influence-buying scheme is illegal in some states, and should be in others.

"With our success rate at more than 20 percent, I would say that ALEC is a good investment. Nowhere else can you get a return that high."

Sam Brunelli, then-Executive Director of ALEC [1]

Key findings of this report include:

- ALEC raised $1,994,815 for its corporate slush fund during 2006-2008, of which $1,811,905 was spent on lawmakers' trips.

- Based on this, plus incomplete data for 2009-2011, we estimate that ALEC has raised and spent over $4 million from corporations for lawmakers' trips since 2006.

- The biggest corporate donor to ALEC's slush fund was PhRMA – which kicked in $356,075 in 2010 alone – followed by AT&T, Bayer, Eli Lilly, UST Public Affairs (tobacco), Pfizer, Crown Cork & Seal, Altria, Verizon, and Blue Cross Blue Shield Association.

- The #1 state for ALEC slush funds was South Carolina, at $200,565, followed by Georgia, Mississippi, California, Wisconsin, Wyoming, Colorado, Oklahoma, Arizona, and Ohio. 42 states had slush fund activity.

- Some legislators were frequent flyers. At least 20 state legislators received travel worth nearly $7,000 or more during 2006-2008.

- ALEC slush funds were used to pay for or directly reimburse travel expenses for legislators, including airfare, hotel rooms and meals. But once public officials arrived, ALEC corporations spent untold additional amounts to wine, dine and entertain them. ALEC membership may cost legislators $50 per year, but they get much more in return from their corporate benefactors.

- At least four states – Massachusetts, Minnesota, Nebraska and Utah – have taken steps to bar legislators from taking travel-related funds from corporate interests via a conduit like ALEC. But at least three other states – Colorado, Indiana and South Carolina – specifically exempt ALEC from state gift or lobbying laws.

- The slush fund's donors, top states, repeat players and state-by-state details can all be found in the report appendices.

Given the inherently unethical and potentially corrupting nature of ALEC's slush fund scheme, we recommend that, at a minimum, existing state gift limits, bans and disclosure rules be applied to ALEC "scholarships" or modified to ensure that they do. In addition, each ALEC slush fund expenditure and donor for all past years should be immediately disclosed to the public.

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ALEC's Corporate Slush Fund by the Numbers

Big Spending

Since 2006, ALEC has raised an estimated **$4 million** from its corporate members to send lawmakers on trips.

Biggest Spender

The largest known "private sector" donor is **PhRMA**, the trade group for big drug companies, which gave ALEC **$356,075** for lawmaker trips in 2010.

Which State's Lawmakers Take the Most Money

The state whose legislators received the most ALEC "scholarship" funds in a three-year period: **South Carolina lawmakers received $200,566**.

Over a Half-Million Dollars a Year (2006-2008)

Corporations have given **$664,938** a year on average, and the average spent is: **$603,968.**

Scores of Corporations Involved

100+ corporations have funded the trips. The biggest are: **PhRMA**, **AT&T**, **Bayer**, **Lilly**, **UST**, **Pfizer**, **Crown Cork & Seal**, **Altria**, **Verizon**, and **Blue Cross/Blue Shield**—some of the world's biggest drug, tobacco, and phone companies.

About a Million Bucks in the Bank

In recent years, ALEC has had about **one million dollars** in the bank at the start and end of each year available for lawmaker travel for meetings with corporate lobbyists at resorts.

Hundreds of Lawmakers

Average number of lawmakers who get corporate-funded travel through ALEC: **more than 300 each year**. Many are frequent flyers. **Over 1,300 checks** from ALEC were cashed in three years alone.

A Majority of States Are Involved

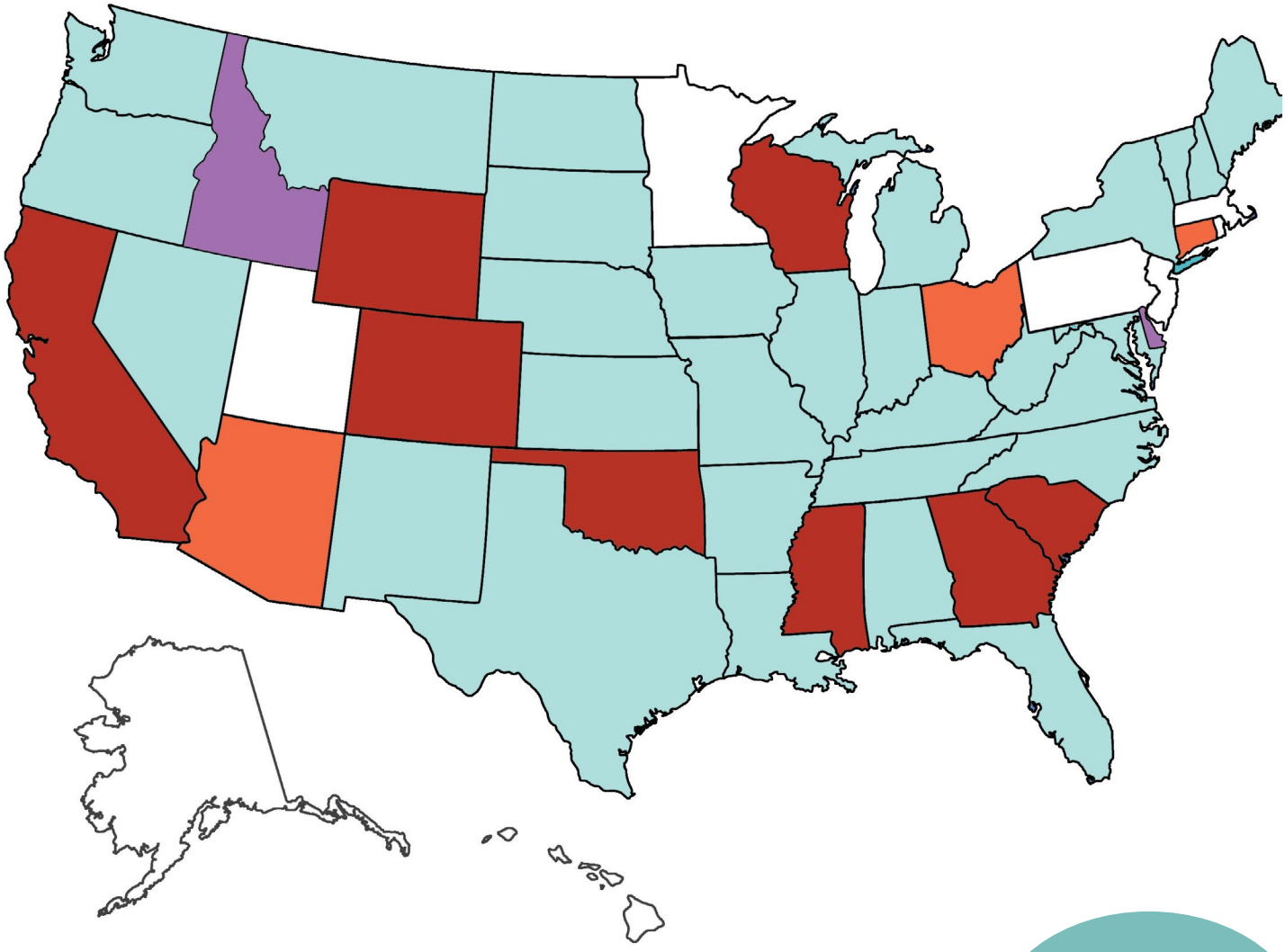
Number of states known to have money paid out from the corporate slush fund in recent years: **42 states out of 50**. Some states, like Minnesota, bar legislators from taking gifts of travel from lobbyists via a conduit like ALEC.

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ALEC "Scholarship" Money Spent

(2006=2008)

$1-$1,000 / **$1,001 - $50,000** / **$50,001 - $100,000** / **$100,001 - $200,000+**



Keeping it Secret

One Answer to the Question, **"Who Really Funds Trips for ALEC Legislators?"**

Reporter: **"Would it be possible for you to send me a list and amounts?"**

Lobbyist: **"Noooooo. No. (laughs) No. I don't want to start scaring people off."**

(Interview of Russell Smoldon of the Salt River Project by Beau Hodai/D.B.A. Press, Nov. 2010 [2])

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ALEC is “the most influential corporate-funded political force most of America has never heard of.”

Bill Moyers, “The United States of ALEC” [3]

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Introduction

This special report analyzes new information about how some of the biggest corporations in the world fund trips for state lawmakers to meet with their lobbyists at resorts across the country through the American Legislative Exchange Council (ALEC), a "charity."

This data, which was secret until discovered in open records responses, shows that corporations seeking to change state laws quietly gave nearly $2 million for travel by state legislators in a recent three-year period (2006-2008.* Based on that data, we estimate that ALEC has taken in well over $4 million from corporations for lawmakers' trips since 2006. And corporations spent money beyond that on numerous dinners and other perks for lawmakers that were not passed through the travel slush fund ALEC created.

ALEC and its leaders have persistently refused to tell the press which corporations were funding these trips and in what amounts.

This previously hidden information about the sources and extent of these gifts of travel has come to light only through open records requests submitted to state elected officials.

Although ALEC prefers to dub these gifts "scholarships," this report calls them what they are—gifts—because a trip is a thing of value being given to these elected officials.

ALEC has created a scheme to funnel money from corporations to pay for legislators' trips, amounting to a million-dollar+ slush fund that leaves constituents in the dark about who is really footing the bills for their representatives.

This report exposes that scheme.

Included in This Report

What Is ALEC?

Description of ALEC's funding, structure, and agenda, plus the efforts to expose ALEC.

What's the Deal with ALEC Scholarships?

Details about how the public was kept in the dark about ALEC's corporate-funded trips, how the facts were discovered, and what the data reveal. Includes snapshots of how the system operates in Wisconsin and Ohio and provides examples of the kind of things ALEC's slush fund buys.

What Can Be Done?

Review of state laws that effectively bar these gifts and current proposals to require more disclosure.

What Can You Do to Help?

Actions that concerned Americans can take to raise greater public awareness about ALEC.

What's Happened in Your State?

State-by-state details on where the slush funds came from and who benefited from them.

**The vast majority of money was paid by ALEC to legislators for their travel to ALEC resort meetings with lobbyists, but it includes some reimbursements to restaurants where legislators were wined and dined. According to open records responses from 2011-2012, the money as a whole was spent to benefit legislators, either through travel or meals and drinks.*

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ALEC is a "far-reaching national network of state legislators that...affects all levels of government. No organization in America today can claim as many valuable assets...that have influence on as many key decision-making centers."

ALEC History [4]

ALEC's Funding

ALEC describes itself as the largest voluntary membership group of state legislators in the country, but CMD's analysis of ALEC's funding reveals that over 98 percent of its revenue comes from corporations and sources other than state legislators' "dues."

Legislators pay $50 a year ($100 per two-year legislative session) to be part of ALEC. In some cases, such as the Iowa House of Representatives, taxpayers pay the dues.

In contrast, corporations pay dues for membership in ALEC at a rate of $7,000 to $25,000 per year.

Companies also pay fees of between $2,500 and $10,000 to sit on ALEC "task forces," where corporate lobbyists vote as equals with lawmakers on templates to change state laws in the form of ALEC bills.

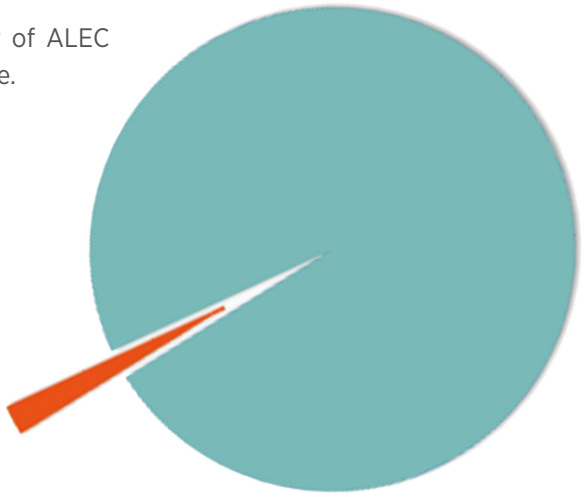
On top of that, corporations kick more money into state "scholarship" funds to cover travel (airfare, hotel, and other expenses) for lawmakers to attend ALEC meetings at resorts where legislators are wined and dined at corporate expense and urged to make items on the corporate wish list into law.

Corporations often pay additional sums to be listed as a sponsor of ALEC meetings. The prices vary but have been as high as $50,000 or more.

ALEC Revenue

98% Corporations and other

2% State legislators' "dues"



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ALEC's Structure

ALEC appoints "public sector" and "private sector" co-chairs in each state (lawmakers and lobbyists) to advance its legislative agenda and raise money for trips. Lobbyists also sit on ALEC task forces where they get "a VOICE and a VOTE" on bills. [5]

ALEC claims it disbanded its "Public Safety and Elections" task force—which approved controversial bills making it harder for Americans to vote and easier to get away with shooting someone—but there is evidence some of its work goes on.

ALEC has a Public Sector Board that consistently endorses bills approved by task forces. It meets jointly with a corporate board, which includes many companies that have governed ALEC for years, while legislative leaders have come and gone.

ALEC's sustaining funders include some of the world's biggest corporations: Exxon Mobil, Altria, AT&T, Koch Industries, State Farm Insurance, Peabody, and GlaxoSmithKline. Their lobbyists also sit on task forces alongside representatives of ideological groups like David Koch's Americans for Prosperity.

ALEC describes itself as a nonpartisan, nonprofit organization, but a review in 2011 showed that 99 percent of its legislative leaders were Republicans (there was one Democrat out of 104 legislators in leadership positions).

ALEC Task Forces push bills to limit

» Rights of people injured by companies

» Rights of workers

» Power to regulate pollution

» Power to tax

» Restrictions on "free" trade

» Public benefits like Social Security

» Rules for schools and the financial, insurance, and telecomm industries

"Conferences for state legislators and corporate leaders are held approximately four times a year."

ALEC's Description of the Meetings to the IRS

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ALEC's Agenda

ALEC describes its agenda as advancing the "free market," but many of its bills redirect Americans' tax dollars away from strengthening the public's institutions to increase the profits of industries that are part of ALEC. Many of the beneficiaries of ALEC laws are out-of-state or foreign companies whose primary interest is not the well-being of the constituents of ALEC legislators.

ALEC also indoctrinates legislators with skewed statistics and distorted analysis[6] in support of the agenda of these special interests.

ALEC's core objective is to change U.S. law,[7] one state at a time—as Bill Moyers noted in his documentary, "The United States of ALEC."[8]

Countless bills like these have been filed in state legislatures without any disclosure of ALEC's role in them.

ALEC claims it does not lobby[9] but boasts to its members that over 1,000 ALEC bills are introduced a year and about 20 percent become law.[10] ALEC has told companies that funding ALEC gets the highest return on investment.

ALEC's legislative agenda has included

- *» Making it harder for Americans to vote*
- *» Making it harder for unions to organize*
- *» Stopping needed benefits for workers*
- *» Promoting trade laws that outsource jobs*
- *» Limiting damages for dangerous products*
- *» Blocking efforts to address climate change*
- *» Limiting rules that protect air and water*
- *» Privatizing schools, prisons, and assets*
- *» Detaining more immigrants, for longer*
- *» Opposing Wall Street reforms*
- *» Opposing health insurance reforms*
- *» Stopping limits on bank fees and interest*
- *» Opposing taxes on windfall oil profits*
- *» Opposing limits on machine guns*
- *» Opposing taxes on investment income*
- *» Privatizing Social Security and Medicaid*

More than 1,000 ALEC bills are introduced each year; hundreds become law.

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ALEC "operates much like a dating service, only between legislators and special interests. It matches them up, builds relationships, [and] culminates with the birth of special interest legislation..."

Wisconsin Rep. Mark Pocan in The Progressive[12]

ALEC Exposed

Despite concerns raised about ALEC in recent years, the dramatic breakthrough in public awareness of ALEC is due in large part to the work of the Center for Media and Democracy (CMD) and Common Cause. CMD launched its site, **ALECexposed.org**, in mid-2011 by analyzing and exposing over **850** ALEC bills provided by a whistleblower and also built a growing resource for reporters and advocates to connect the dots between ALEC bills, legislators, corporations, and "experts."

Common Cause has worked with CMD and many other groups for the past year to continue the investigation into ALEC and push out the ALEC story in the states. In April 2012, Common Cause filed an IRS whistleblower complaint against ALEC based on thousands of pages of additional internal ALEC documents showing extensive lobbying by the tax-exempt group.[11] Others—including Marcus Owens, the former head of the IRS' nonprofit tax section, and the Voter Legislative Transparency Project—have also urged the IRS to consider holding ALEC and its corporate funders civilly or criminally liable for all the lobbying ALEC facilitates without disclosure.

Other public interest groups like People for the American Way and Progress Now!, along with labor unions affected by ALEC's agenda, have worked to educate the American people about ALEC. And, Color of Change launched a powerful corporate campaign that has engaged new audiences of citizen activists. Greenpeace and many other groups, bloggers, and concerned citizens have also joined the movement against ALEC's undue influence.

In the wake of heightened public scrutiny of ALEC, **41** major for-profit corporations have announced that they stopped **funding ALEC—including Wal-Mart, General Electric, General Motors, Amazon, and Coca Cola—along with four** nonprofit groups, including the **Gates Foundation.** Some **70** legislators, both Republicans and Democrats, have publicly dropped ALEC this year as well.

Impact of Information

In the wake of heightened public scrutiny of ALEC, 41 major for-profit corporations and four nonprofit groups have stopped funding ALEC, and 70 legislators have publicly dropped ALEC.

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What's the Deal with ALEC "Scholarships"?

Kept in the Dark

Not only does ALEC enable corporations to secretly vote beside lawmakers on model bills to change state laws, but it also provides a conduit for corporations to buy influence with legislators through gifts of flights, hotel rooms, and other perks and to whitewash these gifts as ALEC scholarships.[13]

ALEC and the lobbyists and lawmakers who participate in this scheme have generally refused to disclose which corporations are paying into ALEC's slush fund for trips. But Americans have a right to know if their elected representatives are being flown to resorts to meet with corporate lobbyists and adopt their bills at corporate expense.

It is only because of partial compliance with state open records laws that the extent of the influence peddling facilitated by ALEC is even partially coming to light. The investigative work of reporters and watchdog and faith-based groups—**Beau Hodai**, D.B.A. Press founder, freelance investigative reporter, and CMD contributor; CMD Staff Counsel **Brendan Fischer**; Common Cause Staff Counsel **Nick Surgey**; and **Caroline Isaacs** of the American Friends Service Committee-Tucson—unearthed the financial data in this special report.

ALEC's History of Hiding the Truth

When asked about the slush funds by reporters in the past, ALEC has refused to identify donors, and instead referred them to the group's federal tax returns. Those filings not only did not disclose the identities of corporations funding the travel of elected officials, but also did not disclose the amount of money coming in or being paid out.

ALEC's lack of disclosure of its spending is deeply misleading. Take 2008, for example: If you had examined ALEC's federal tax return for that year looking for the figure the IRS requires nonprofits to disclose if they are paying for the travel for state elected officials you would have found zero, a box of nothing (see image at right)

Elsewhere in its 2008 tax filing, ALEC notes a "liability" with a cash balance of $1,053,457, described as "Scholarship Funds Held as Agent." ALEC's accounting cloaks from public view the amount of money it took in and spent that year to pay for the "travel or entertainment expenses" of state lawmakers. But, due to our investigation, we now know ALEC spent $593,653 on legislator travel and which corporations that funded trips in 2008 and other years.

2008 Tax Declaration by ALEC

#18. Payments of travel or entertainment expenses for any federal, state, or local public officials (enter amount)

ALEC's entry:

Now in the Light of Day: A Half-Million Dollars+ Each Year for Legislators' Travel

The data we uncovered provides a thorough snapshot for a recent three-year period, 2006 to 2008. The information we discovered includes the identities of all of the corporate donors to the travel fund and all of the public officials whose trips were paid for in those three years, along with the amounts and dates. We also have partial but illuminating data for 2009 to 2011.

Due to the patchwork of state laws regarding the reporting of gifts or travel reimbursements, there is no way — without this data—for concerned citizens to discover all of the legislators who took scholarship funds and which companies interested in changing state laws helped pay for the trips.

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Major Findings

Corporations Funded A Lot of Trips

The total amount of money companies gave to pay for lawmaker trips and events in a recent three-year period (2006-2008) was nearly $2 million ($1,994,815, almost all of which, $1,811,905, was spent). That averages about $600,000 a year ($603,968) spent on travel for public officials. Even with that amount of spending, ALEC still kept about a million-dollar scholarship balance in the bank, counted as a "liability" owed to public officials.

Based on that data, we estimate that ALEC took in well over $4 million from corporations for lawmakers' trips since 2006. And corporations spent money on lawmakers beyond that on numerous dinners and other perks, which were not passed through the travel slush fund ALEC created.

Over 100 corporations have funded the trips, including Koch Industries, but PhRMA gave the most: $356,075 in 2010. Other big funders are AT&T, Bayer, Lilly, UST Public Affairs (tobacco), Pfizer, Crown Cork & Seal, Altria, Verizon, and Blue Cross/Blue Shield Association—some of the world's biggest drug, tobacco, and phone companies

A Lot of Lawmakers Took the Trips

Hundreds of state legislators have received corporate-funded travel through ALEC: over 300 state legislators per year. It appears that over 1,300 checks were cashed in one three-year period (2006 to 2008) alone.

Some Legislators Were Frequent Flyers

At least 20 state legislators received travel worth nearly $7,000 or more in that three-year period. They are listed at the end of this report.

Some State Delegations Spent Six Figures in Corporate Trip Money

The state whose lawmakers received the most from the ALEC "scholarship" fund for the three-year period with complete data was South Carolina, whose legislators took $200,566 in corporate-funded trips and whose legislature has expressly exempted ALEC from the state's gift limits for lobbyists.

Rounding out the top five were states as diverse as Georgia, $170,990; Mississippi, $157,158; California, $127,200; and Wisconsin, $116,700. Some of these states may not be the most populous but they were popular with corporations willing to fund lawmakers' trips.

Whose lawmakers raised the most for the fund in one year?

Ohio raised $130,000 from corporations in 2011.

ALEC's scholarship scheme is calculated to keep the public in the dark about which corporations are footing the bill and how much the bill is.

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What ALEC's Slush Fund Has Bought

Beyond unparalleled access by lobbyists to lawmakers, what ALEC corporations pay for through the scholarships is airfare for lawmakers, hotel rooms for their families, and other expenses. This is often in addition to other donations to ALEC to underwrite and co-sponsor events, plus whatever fees a corporation pays to join ALEC and vote on task forces with legislators.

The scholarship fund has also been used to buy expensive dinners for legislators at places like posh steakhouse Smith & Wollensky, although meals are sometimes put on a corporate credit card. ALEC members like Russell Smoldon of the Salt River Project, an Arizona public-private utility, know just how valuable such perks are. Smoldon told D.B.A. Press in November 2010:

> **"We do a nice job with special events. We just kind of take it on ourselves because I want things to be nice for these guys who make 24,000 dollars a year."**

For state lawmakers, who nationally earn an average of $35,000 per year, an all-expense-paid trip to a posh resort where they are wined and dined at lobbyists' expense is a substantial benefit.



Posh Resorts for ALEC Trips

ALEC has meetings at posh hotels for its big meetings and task force "boot camps" -- like the one held this past January in Florida at the Ritz Carlton on Amelia Island to discuss privatizing public education, a meeting closed to the press."[14] (A list of other ALEC resorts is available at the back of this report, detailing spending by year with images of the locations of ALEC meetings for lobbyists and lawmakers.)



"Endless Sandy Beaches..."

It is not unusual for ALEC to promote its meetings in vacation-like terms. One invitation encouraged legislators, saying: "come and experience endless sandy beaches, sunny days, beautiful sunsets and the cool gulf breezes." The meeting was held at a great hotel, near a golf course where ALEC funder Reynolds tobacco paid for a golf clinic and tournament for legislators and lobbyists.



Bring the Whole Family!

ALEC meetings are described as "networking opportunities," but lawmakers are encouraged to bring their families. According to ALEC's 2008 & 2009 IRS forms, it spent a combined $549,230 on childcare, which it calls "Kids Congress" (for kids, six months to 17-years old) and which is offered at a low rate to lawmakers and lobbyists.



But Don't Forget the Legislation

ALEC meetings are not all dinners and ballgames or skeet shoots sponsored by the National Rifle Association. During the day, lawmakers are urged by private sector ALEC funders like the American Bail Coalition to introduce its bills, and the state legislators on ALEC task forces secretly vote with lobbyists to approve bills to be introduced across the nation.

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"ALEC has created a clever scheme with lobbyists—to funnel money from corporations for lawmakers' meetings—that hides the benefactors and their influence peddling."

Lisa Graves, Center for Media and Democracy

What ALEC's Slush Fund Has Bought

- Airline tickets for lawmakers
- Hotel rooms for lawmakers and their families
- Transportation to and from the hotel
- Conference fees
- Meals and drinks

Baseball Game - Spring Task force Summit

Please join ALEC for a night at the ballpark as the Cincinnati Reds take on the Florida Marlins!

When: Friday, April 29 Time: 7:10 p.m. RSVP to: nnguyen@alec.org

ALEC will have access to the ballpark party decks where select food and drinks will be provided. Space is limited at this special event—sponsored by Time Warner Cable—so be sure to reserve your free ticket now! Registered guests are also invited to attend.

If you have already have tickets to the game, please let us know and we'll get you a ticket to this exclusive area. Tickets can be picked upw hen you check in at ALEC's registration desk.

Please join us for a great American pastime!

Sponsored by

Time Warner Cable®

ALEC

Other Perks Funded by Corporations at ALEC Meetings

- Exclusive parties at MLB baseball games for lawmakers and their families, food and drink included (Time Warner)
- All you can smoke cigar parties (Reynolds tobacco)
- All you can drink wine and cheese parties (Diageo)
- All you can shoot, skeetshooting outings—guns provided (NRA)
- Golf lessons and tournament (Reynolds tobacco)
- Dinners and drinks at the best restaurants in town (Corporate lobbyists from numerous companies)
- And other entertainment



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What About State Gift Laws?

Every state in the country has gift laws that ban, limit, or require disclosure of what lobbyists and other interested parties can give of value to legislators. Yet, in most states, ALEC's "scholarship" scheme has slipped by under the radar screen. In all, 42 of 50 states had some ALEC slush fund account activity between 2006 and 2011.

Records show that at least four states have taken steps to bar legislators from taking travel-related funds from corporate interests via a conduit like ALEC.



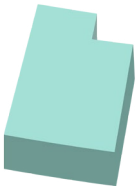
Minnesota. Since 1997, the Campaign Finance and Public Disclosure Board has interpreted state laws barring gifts to apply specifically to ALEC scholarships.[15] The Board found that corporations with lobbying interests were responsible for funding the gifts, and it ruled that filtering the funds through ALEC "does not isolate the corporations from their status as givers."



Massachusetts. Since 1988, the State Ethics Commission has barred legislators from accepting gifts of travel expenses from any organization of state legislators if its corporate members have an interest in matters before the state. The ruling was about gifts of travel for legislators to attend meetings with manufacturers, but its terms appear to cover ALEC travel "scholarships" as well.



Nebraska. The Accountability and Disclosure Commission barred lawmakers from accepting any contribution of over $50 from the ALEC scholarship fund in 1995. Nebraska law bars state senators from accepting gifts (including costs of travel and lodging) of more than $50 per month from a principal, a lobbyist, or "anyone working on behalf of either." The Commission ruled that—whether intentionally or incidentally—ALEC was being used as a conduit by Nebraska lobbyists and their principals to funnel gifts to state lawmakers in the form of "scholarships" for travel and lodging, exceeding the limits in state law.



Utah. The Beehive State also apparently stopped the scholarships after "It got to a point where ALEC fund raising looked to some like a lobbyist was buying a trip"[16] because legislators were asking lobbyists to give so they could attend ALEC meetings.

On the other end of the spectrum, at least three state legislatures have specifically **exempted** ALEC from gift or lobbying laws: ***South Carolina***, ***Colorado***, and ***Indiana***.







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A handful of states force taxpayers to pick up the tab for public officials to go to ALEC conferences where corporate lobbyists get an equal say in votes on bills. For example, Pennsylvania had $0 in ALEC scholarships in 2006-2008, but the state's taxpayers paid over $300,000 over several years for trips and other ALEC events, including $3,000 on "cheesecake lollipops" for ALEC meetings over the past several years, according to Keystone Progress, an affiliate of ProgressNow![17]

This approach is equally inappropriate because ALEC's core activity is to provide its private sector members and their lobbyists with a "unique" partnership, in ALEC's words, with lawmakers to change legal policy. Requiring taxpayers to pay the cost of flying legislators around the country to vote behind closed doors with corporate lobbyists about changing state laws adds insult to injury.

ALEC v. NCSL

Some ALEC members argue that ALEC meetings should be funded by taxpayers because states fund the National Conference of State Legislatures (NCSL). But, unlike ALEC, NCSL does not allow corporate lobbyists to vote with legislators on bills, and its leadership posts alternate between Democrats and Republicans, regardless of ideology. NCSL's objective is to improve governmental functions. In contrast, ALEC has touted its unique mission as giving the private sector an equal voice and vote on changing the government.

And It's Tax-Deductible?

ALEC wants to have its cake and eat it too. The organization claims that slush fund donations do not have to be reported to the IRS because ALEC just holds them "in trust" for legislators to spend, yet it tells corporate donors they can claim a tax deduction for their gifts.

Hard to believe? In 2009, ALEC told the IRS that:

> **"ALEC is the recipient of funds from various outside organizations and individuals which are to be used exclusively for scholarships on behalf of state legislators. Scholarships are payable, upon approval by the relevant state chair, to State Legislators to reimburse them for travel expenses incurred in attending meetings of ALEC. The amounts received and disbursed by ALEC for such purposes are not considered revenue and expenses of ALEC..."**

Imagine if a corporate lobbyist simply put a half million dollars in a bank account for lawmakers to use for trips to meet with her company about legislation she wanted passed.

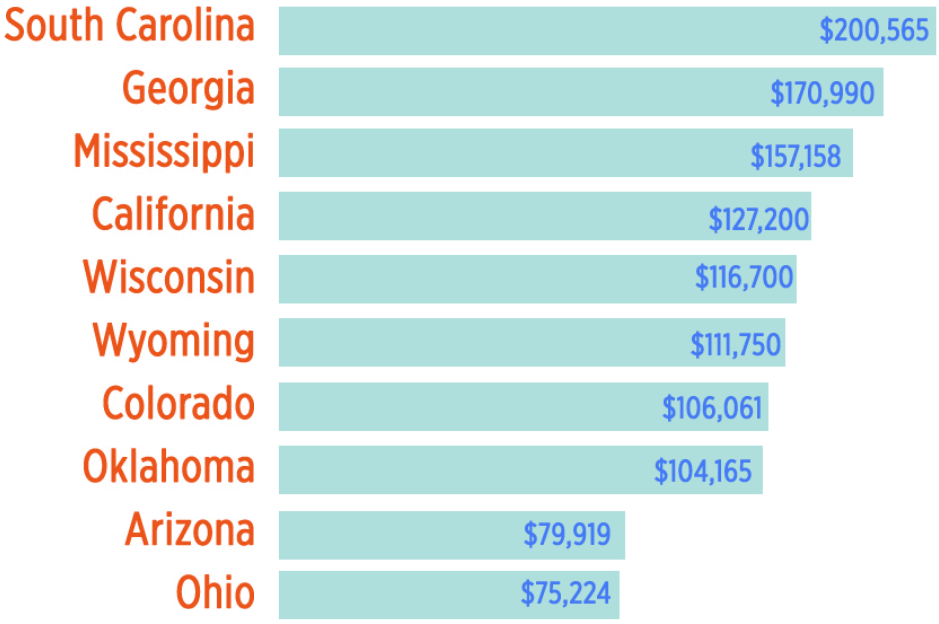
But a letter surfaced earlier this year from ALEC board member and legislative co-chair for Louisiana, Rep. Joseph A. Harrison, offering corporations a tax write-off for ALEC slush fund donations. On government letterhead, he solicited a $1,000 tax-deductible contribution per company for trips while stating that:

> **"With over thirty Louisiana Legislators serving on ALEC Task Forces, your support will allow the opportunity to attend conferences funded by the ALEC Scholarship Fund. These conferences are packed with educational speakers and presenters, and give the legislators a chance to interact with legislators from other states, including forums on Medicaid reform, sub-prime lending, online privacy, environmental education, pharmaceutical litigation, the crisis in state spending, global warming, and financial services and information exchange. All of these issues are import (sic) to the entire lobbying community." (emphasis added)**

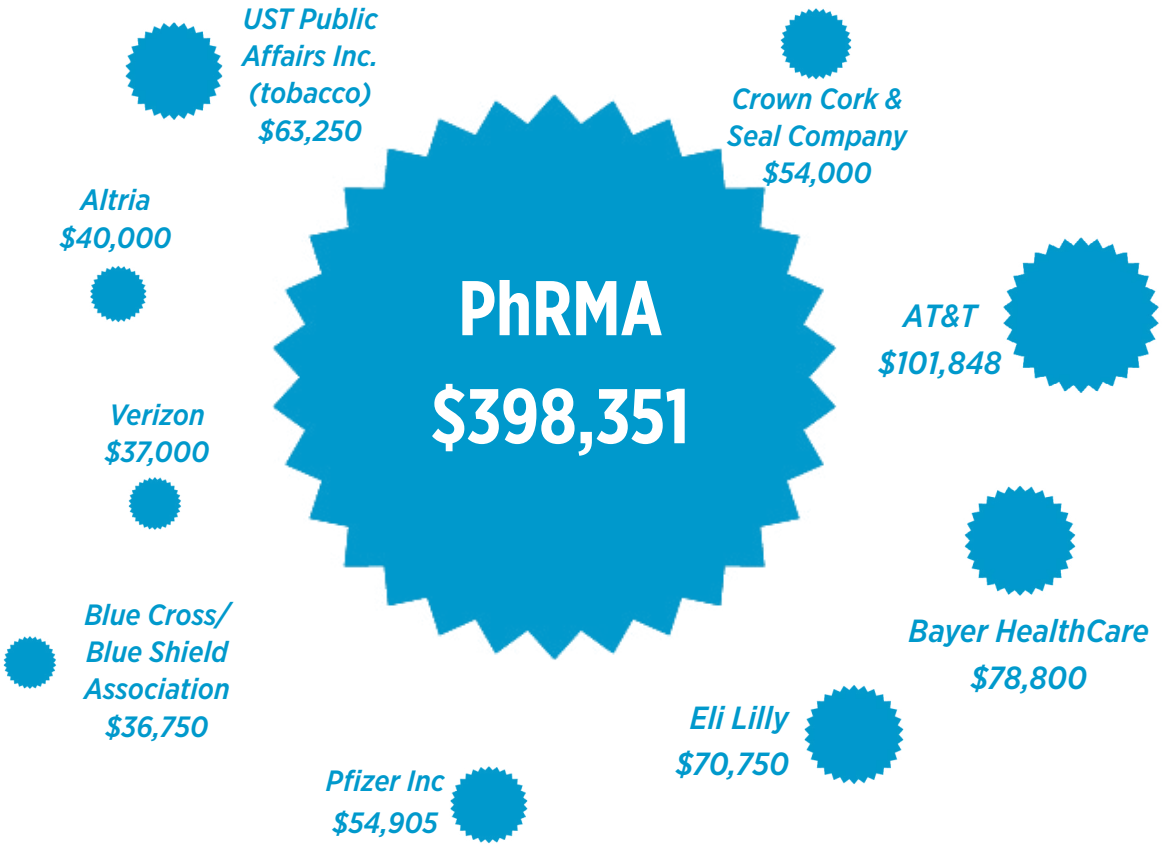
Clearly, ALEC leaders think it is appropriate that these gifts both help corporate lobbyists advance their agendas and are subsidized by taxpayers. But, if the slush fund revenue and expenses are not considered ALEC's revenue and expenses by the IRS, then how can ALEC claim that all this corporate money passing through its to fund for lawmakers' travel is tax-deductible?

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Top Ten State Legislatures Receiving ALEC Travel Gifts*



Top Ten Corporate Donors to the ALEC Travel Slush Fund**



*This is for the period with complete data (2006-2008); subsequent big sums have been discovered in Arizona and Ohio.
**The data above reflects corporate donations for the years 2006 – 2008 and 2010, though the 2010 public data reflects money in Arizona, Ohio, and Wisconsin; the data from 2006 to 2008 reflects data from all 50 states.

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"The fact that the corporate money is passed through ALEC, a conduit for the gift, does not isolate the corporations from their status as givers."

Minnesota Campaign Finance and Public Disclosure Board

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Spotlight on Wisconsin

Unbeknownst to most state residents, ALEC's bylaws impose a "duty" on the state legislators and corporate reps it designates as state co-chairs both to raise money from companies for trips and get ALEC bills introduced.



Big Spending in a State Where a Lobbyist Can't Buy a Lawmaker Coffee

Before this year, Wisconsin was believed to have one of the strictest gift rules in the nation, a zero tolerance rule dating back decades. But secretly, through ALEC's slush fund, corporations gave $131,000 to pay for state legislators to attend meetings with corporate lobbyists at resorts from 2006 to 2008. Almost $117,000 was spent for airfare, hotel rooms, and other expenses of elected officials. Despite the state's "no cup of coffee" gift law, Wisconsin lawmakers were one of the "top five" state delegations in the country in amounts received from the ALEC corporate slush fund for lawmakers' trips.

But that tells only part of the story. When PhRMA gave $356,075 to ALEC's fund in 2010, it was told by ALEC to send the check to Wisconsin, not to ALEC's headquarters in Washington, DC. The street address was the same as that of ALEC's corporate co-chair for Wisconsin, Amy Boyer, a lobbyist who has represented a number of ALEC funders, such as Koch Industries and other energy companies. When confronted, ALEC said only $2,500 was for Wisconsin and the remaining $353,575 was for other states, but there are no public records to verify how that six-figure sum was spent.

"Myself, I always loved going to [ALEC] meetings because I always found new ideas. Then I'd take them back to Wisconsin, disguise them a little bit, and declare that 'It's mine.'" Tommy Thompson (2002)[18]

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Citizens Can't Track the Gifts Received

The situation in Wisconsin also illustrates how difficult it is for concerned citizens to discover these gifts, because they are rarely reported as "gifts."

At the time of PhRMA's big check, the ALEC legislative co-chair for Wisconsin was state Senator Scott Fitzgerald. In response to an open records request by CMD, his office later revealed that at least seven state legislators had received funds from ALEC in 2010 (Reps. Brett Davis, Robin Vos, Scott Suder, Steve Nass, Mike Huebsch, and Phil Montgomery, and Sens. Ted Kanavas, Leah Vukmir, and Randy Hopper). They received between $985 and $2,461 for trips filled with meetings with lobbyists. Only two legislators on that list disclosed that they got ALEC travel money on their "Statement of Economic Interests." Some mentioned the ALEC funds in campaign filings. And some, like Sen. Randy Hopper, did not disclose it.

Disclosures Hide the Real Sources

Even where the receipt of money was disclosed, the source was listed as "ALEC," not the companies actually bankrolling the trips. It is only through open records requests, not through legislators' filings, that the sources have been revealed. According to the document ALEC sent by email to Sen. Fitzgerald, the corporations funding Wisconsin legislators' trips in 2010 were PhRMA, Reynolds, Alliant Energy, Kraft Foods, AT&T,[19] Diageo, 3M, Excel Energy, Allergan, MKT Engineering, T-Mobile, and the state telecomm trade group. All of these corporations have state legislative agendas. Most of them gave $2,500 a piece to fund trips for legislators.

Surprise? ALEC Bills Get Pushed

When CMD examined Wisconsin's 2011-2012 legislative session, it found at least 32 bills or budget items reflecting ALEC bills were introduced—such as bills to restrict union dues collection, bar suits for death or injury from prescription drugs, aid the tobacco industry, limit telecomm regulations, and restrict "voter ID"—and 21 became law.[20]

ALEC's Role Was Hidden from Public

ALEC did not register as a lobbyist, but open records requests reveal it pushed for its bills to be introduced and passed, out of the sight of the public. For example, Governor Scott Walker—an ALEC alum—denied that his urgent omnibus "tort reform" bill was based on ALEC bills. But previously secret emails show ALEC told lawmakers Walker's proposal included "many" of their bills and urged that it be enacted. The law passed quickly; no one besides ALEC lawmakers and corporations knew at the time of ALEC's true role.



Complaints Filed

CMD filed a complaint with the Government Accountability Board in March 2012 arguing the scholarships violated gift laws. CMD also noted that a prior private ruling of the Board was contradicted by new evidence. That complaint is still pending. CMD and Common Cause also asked the state Attorney General to investigate ALEC lobbying.

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A Look at Travel Fundraising in Ohio

In 2011, corporations gave at least at least $130,000 for trips to Ohio legislators, the largest travel fund known to have been raised in a single year for just one state.

Cozy Relationship between ALEC Lawmakers and Corporate Lobbyists

ALEC's state legislative co-chair for Ohio is Rep. John Adams, who is tasked like all ALEC state leaders with getting ALEC bills introduced and raising money for ALEC trips. Although open records requests do not reveal all the lawmaker travel that six-figure sum has funded, what is known is that Adams' office spent considerable time coordinating with corporate lobbyists who fund ALEC.

His Senior Legislative Aide, Kara Joseph, spent untold hours arranging for lawmakers to get tickets to a Cincinnati Reds game paid for by Time Warner Cable (TWC), separate from the slush fund. TWC is ALEC's Ohio corporate co-chair.



Ms. Joseph also worked with corporations like Diageo to arrange special dinners when Ohio lawmakers were traveling on corporate-funded scholarships to other cities. They were at restaurants like the steakhouse of gourmet celeb-chef John Besh at Harrah's Casino in New Orleans. (That dinner was paid for by lobbyists separate from the slush fund.)

In Return for Helping ALEC, Trips and Awards

Ms. Joseph was named ALEC's "Volunteer of the Year" in 2011, and she also received money from the slush fund to go on ALEC trips that year. Her emails about fundraising and lobbyist scheduling for ALEC events were conducted on government computers while she was being paid by Ohio taxpayers. Her boss, Rep. Adams, also received top honors from ALEC that year for advancing ALEC's agenda.

The Ohio ethics board—largely controlled by ALEC members—has refused to apply state gift rules to ALEC, despite evidence it should.

CMD, Progress Ohio, Common Cause, and People for the American Way have also issued a detailed report on the influence of ALEC corporations on the Ohio legislature. You can find the report online at **www.alecexposed.org/wiki/Ohio.**

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Lawmakers Know Who Bankrolls Their Trips But Citizens Do Not

Records analyzed by D.B.A. Press and CMD show that several lawmakers also participated in raising funds from these corporations.[21] Ms. Joseph also sent lawmakers a list of corporations and amounts of their gifts, and asked them to thank the lobbyists for "their generous contribution!"

This example is no outlier by a lawmaker's staffer. In Arizona—where lawmakers received over $90,000 in trips secretly underwritten by corporations through ALEC in 2010 alone—open records request revealed that ALEC legislators like Rep. Debbie Lesko eagerly urged colleagues to get thank you notes out to the corporate lobbyists who give to the slush fund.

The American Friends Service Committee (AFSC) in Tucson has urged an investigation of "influence peddling" via the ALEC slush fund. "Any rational person can look at what these corporations are doing through ALEC and on their own and know that essentially for-profit corporations are writing legislation in Arizona," AFSC's Caroline Isaacs told D.B.A. Press.

The ones left out of the equation with the influence peddling through ALEC's slush fund from ALEC companies and their lobbyists are ordinary citizens.



Ohio Rep. John Adams receives ALEC's Legislator of the Year Award

Giving Thanks

Some lawmakers actually urge their colleagues who receive "scholarships" to send thank-you notes to their corporate benefactors.

"The format of the meetings provides the ideal climate for private sector-legislator communication. For four days, ALEC private sector members have the opportunity to share their thoughts and opinions on the crucial public policy issues facing their organizations." ALEC Advertisement

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What Can Be Done?

Without adequate regulation, ALEC's influence peddling for corporations will continue quietly out of the public's view, and its representatives will continue to duck questions about who is funding trips.

Plainly, ALEC has no intention of voluntarily disclosing its slush fund activity or changing how it does business.

For example, in a November 2010 interview, ALEC's Arizona public sector chair at the time, Arizona Senate President Bob Burns, refused to reveal the names of corporations funding travel for ALEC lawmakers.

He told Beau Hodai at D.B.A. Press:

> **"I prefer not to do that. Maybe they don't want that information shared..."**

That's an astonishing assertion given the whole premise of disclosure laws to shine a light on the influence and actions of public officials.

Burns' private sector counterpart, ALEC state co-chair Smoldon of the Salt River Project, also refused to tell the press how much companies were paying for legislators' trips.

The information in this report was obtained through open records requests, but ALEC has recently switched to using a "Dropbox"-like process (a service for accessing files in the "cloud") in an apparent attempt to keep many of its communications with lawmakers from becoming an official "record." In addition, a number of elected officials are using personal accounts for emails from ALEC to evade disclosure; CMD and Common Cause filed a lawsuit in Wisconsin challenging this violation of the legal obligations of elected officials.

Left unchecked, this continued evasion of oversight means that the public—who should know what's going on—are left in the dark, while the legislators—who stand to be influenced by their benefactors' generosity—know exactly who's paying for their trips.

Some Legislators Urge More Disclosure

Two bills have been introduced this year to require more disclosure of ALEC "scholarships" for legislators.[22]



Arizona

Earlier this year, a bill to shine a light on ALEC trips was introduced by Arizona Rep. Steve Farley. The "ALEC Accountability Act of 2012"[23] would require itemized disclosure of all gifts of "lodging, travel, and registration fees" for a legislator and family members, regardless of whether the gift is considered a reimbursement or called a "scholarship." The name and address of the donor would also have to be disclosed. There is no minimum amount to trigger this reporting. [24]

The bill would also require the government to post all financial disclosure reports on a website, and the legislature would be required to disclose all such benefits given to legislators.

Farley's bill made no progress in the Arizona statehouse, which is controlled by ALEC members. According to Farley, the "ALEC Accountability Act" was the only house bill to receive no committee assignment during the first legislative session of 2012.

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Wisconsin

Rep. Mark Pocan's bill in Wisconsin would clarify that "lobbying" includes efforts to influence the development of model legislation, and that contacts between legislative offices and a group that "proposes uniform, model, suggested, or recommended legislation" count.[25] It would also clarify that legislators must disclose on their "statements of economic interests" anything received as a "scholarship."[26]

Pocan's bill also requires that anyone providing anything for "scholarship" purposes to report it to the state accountability board within 90 days, to list the recipients, and to provide the names of any persons who contributed to the scholarship account within the past year. It would also restrict using tax dollars to pay ALEC membership dues.

This bill was referred to the Committee on Assembly Organization on February 23, 2012. No action was taken by that committee, which was chaired by two ALEC members: Reps. Jeff Fitzgerald and Scott Suder. Suder is one of ALEC's co-chairs for Wisconsin.



Rhode Island: A Different Tack

Although not a legislative initiative, it should be noted that this spring, John Marion, the Executive Director of Common Cause Rhode Island asked the state Ethics Commission to revise state rules in light of the IRS suit filed against ALEC by Common Cause and other information about ALEC that had arisen.

Common Cause urged the state to "require disclosure of gifts from non-interested persons that were received by a public official by virtue of their official position [and] proposed limiting the disclosure requirement to elected officials and gifts over twenty-five dollars."

Recommendations

To address the inherently unethical and potentially corrupting nature of ALEC scholarships and operations, the solution is simple:

1 Existing gift limits or bans should be applied to ALEC travel scholarships or modified to ensure that they do.

2 In addition, each ALEC slush fund expenditure and donor for past years should be immediately disclosed.

"ALEC is a corporate lobby masquerading as a public charity."

Common Cause President Bob Edgar

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"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has." Margaret Mead

What can you do to help?



Contact the corporate funders of ALEC in your state and tell them to stop paying for legislators' trips with lobbyists.



Contact your representatives and tell them that you object to ALEC's corporate slush fund scheme, and demand that gifts of travel be covered under your state's gift laws.



Host a screening of Bill Moyer's documentary about ALEC, "The United States of ALEC," in your home or neighborhood. More information is available at CommonCause.org and at BillMoyers.com. You can also view a short cartoon "ALEC Rock" that can be shown to give audiences an overview, available from ALECexposed.org.



Share news about ALEC on social media; follow Facebook.com/CenterforMediaandDemocracy and Facebook.com/CommonCause and help tweet the facts about ALEC via #ALECexposed.



Write letters to the editor of your local paper alerting your neighbors to the problems with ALEC "scholarships" and the influence peddling ALEC facilitates. You can also ask your paper and TV stations to help expose ALEC more.

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Learn More

In the coming months there is much to do.

The intense scrutiny ALEC has received over the last 15 months, on **ALECexposed.org**, through the work of Common Cause, and by the reporting of The Nation magazine and Beau Hodai, is unprecedented

At the same time, many state legislatures are in the hands of ALEC lawmakers in leadership positions. As with Ohio and Arizona, those legislators appear unwilling to limit their access to free trips paid for by corporations.

The corporate-funded trips for lawmakers funneled via ALEC will only be addressed when citizens and watchdog groups pursue every legal option available to halt them.

Additional Resources

More information about ALEC and its operations from the authors of this report is available through CMD's **ALECexposed.org**, **PRWatch.org**, and **SourceWatch.org**, as well as **CommonCause.org** and **DBApress.com**. Other good sources of ALEC information include **TheNation.com**, **PeopleforthеAmericanWay.org**, and **ProgressNow.org**.

You can also help support **ColorofChange.org** and its efforts to run radio ads letting the public know about ALEC corporations and ALEC's agenda.

ALECexposed.org is a hub that includes lists of ALEC corporations, legislators, "experts," bills, and its agenda, as well as links to state reports and news about ALEC's activities.

Information on complaints against ALEC is available at **CommonCause.org** and details about viewing the new documentary or getting a copy of the DVD can be found at **TheUnitedStatesofALEC.org**.

Additional details are available via Marcus Owens at **capdale.com** and from the bloggers at **VLTP.net**, which has additional research on a range of ALEC topics.

Help Expose ALEC

You can volunteer to help the ALECexposed campaign from wherever you are.

Contact Editor@ALECexposed.org or Grassroots@CommonCause.org.

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Endnotes

1. See American Legislative Exchange Council, "ALEC Scorecard: ALEC Model Bills Set the Terms of the Debate in 1995 Sessions; Record Number of Bills Introduced and Passed Across the Country," FYI (July 12, 1995) (quoting then-Executive Director of ALEC, Samuel A. Brunelli, encouraging corporations to finance ALEC by bragging that 978 ALEC bills were introduced in state legislatures and 231 of them were adopted as law; as of 2010, ALEC's boasted rate of return was the same: approximately 20%). Some ALEC bills counted by ALEC in 1995 as being introduced or becoming binding law were the following:
   - the **"Prevailing Wage Repeal Act"** to limit states from setting higher prevailing wages;
   - the **"Right to Work Act"** to limit the ability of private sector workers to effectively unionize;
   - the **"Noneconomic Damages Award Act"** to limit the ability of juries to determine how much a corporation whose product injures or kills should pay for pain and suffering;
   - the **"Consistency in Firearms Regulation Act,"** to limit the ability of cities to bar or regulate lethal weapons, such as semi-automatic (rapid firing) assault weapons, as well as lethal ammunition, like armor-piercing bullets, if a state does not adopt the same prohibitions;
   - the **"Three Strikes Act,"** to require life sentences if a person commits three felonies;
   - the **"Private Correctional Facilities Act,"** to help privatize state and local prisons, along with the "Prison Industries Act," to increase the sale of goods and services of prisoners;
   - the **"Charter Schools Act,"** to speed the privatization and profitization of public schools
   - several bills to change welfare rules making access to benefits harder for families in poverty;
   - the **"Environmental Audit Privileges Act,"** to cloak in secrecy safety violations or environmental hazards discovered by a corporation; and, among others,
   - the **"Capital Gains Tax Elimination Act."**

   For more information about the ALEC agenda, see details at www.ALECexposed.org.

2. Beau Hodai, "Legislative Laundry: investigative report on the mechanics of the ALEC scholarship fund," D.B.A. Press (July 2011), available at http://dbapress.com/front-page/legislative-laundry-how-alec-funnels-millions-of-dollars-in-corporate-gifts-to-state-lawmakers-for-the-express-purpose-of-promoting-corporate-backed-legislation * a portion of this article was published by In These Times, as a sidebar to "Publicopoly Exposed," available at http://www.inthesetimes.com/article/11603/publicopoly_exposed/

3. See Moyers & Company, "United States of ALEC," (aired Sept. 28, 2012), available at http://billmoyers.com/episode/full-show-united-states-of-alec/

4. American Legislative Exchange Council, "ALEC History," ALEC website (accessed June 2012), available at http://www.alec.org/about-alec/history/

5. http://www.alecexposed.org/wiki/Decoding_ALEC_PR

6. ALEC Exposed Source Documents #1, p. 45

7. Eric Havian and Erika Kelton, IRS Whistleblower Letter on ALEC, submitted on behalf of Common Cause (Apr. 20, 2012), available at http://www.commoncause.org/site/pp.asp?c=dkLNK1MQIwG&b=8060297

8. Moyers & Company, "United States of ALEC," supra note iv.

9. American Legislative Exchange Council, "ALEC Frequently Asked Questions," (accessed June 2012), available at http://www.alec.org/about-alec/frequently-asked-questions/

10. See supra n. 3.

11. Havian and Kelton, "IRS Whistleblower Letter on ALEC," supra note vi.

12. Mark Pocan, "Inside the ALEC Dating Service," The Progressive (October 2011 issue), available at http://progressive.org/inside_alec.html

13. Brendan Fischer, "A CMD Special Report: ALEC's "Scholarship" Scheme Helps Corporations Fund Legislator Trips," Center For Media and Democracy's PRwatch.org (May 12, 2012), available at http://prwatch.org/news/2012/05/11443/cmd-special-re-

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port-alecs-scholarship-scheme-helps-corporations-fund-legislator-tr

14. Dustin Beilke, "ALEC Education 'Academy' Launches on Island Resort," (Feb. 2, 2012), PRwatch.org, http://www.prwatch.org/news/2012/02/11272/alec-education-academy-launches-island-resort

15. Minnesota Campaign Finance & Public Disclosure Board, Advisory Opinion 277 (Oct. 31, 1997), available at http://www.cfboard.state.mn.us/ao/AO277.pdf

16. Defenders of Wildlife and Natural Resources Defense Council, "Corporate America's Trojan Horse in the States" (Feb. 28, 2002), available at http://www.alecwatch.org/report.html

17. John L. Micek, "Claim: PA Taxpayers Footed $234K Bill for "Corporate Front Group" That Pushes Legislation," Inside Harrisburg's Capitol Ideas Blog (May 11, 2012), available at http://blogs.mcall.com/capitol_ideas/2012/05/liberal-advocacy-groups-are-stepping-up-their-attacks-on-the-american-legislative-exchange-council-alec-charging-this-wee.html

18. There is no indication in the records available that former Governor Thompson, who helped ALEC while serving in the state legislature in the 1970s and early 1980s, received ALEC scholarships.

19. Wisconsin legislators have long been closely tied to ALEC. Former ALEC public sector co-chair for the state, Rep. Phil Montgomery (R-Green Bay), for example, worked closely with ALEC's corporate leaders and ALEC staff to develop a "pilot media project" to spin local media. See Beau Hodai, "Publicopoly," D.B.A. Press (July 11, 2011), https://dbapress.com/archives/2040 See also Beau Hodai, "Big Media and State Lawmakers Unite: ALEC fight to keep broadband in private hands," Extra! (May, 2010), available at http://www.fair.org/index.php?page=4097

20. Brendan Fischer/Center for Media and Democracy, "ALEC Exposed in Wisconsin: The Hijacking of a State," (May 17, 2012), available at http://alecexposed.org/w/images/c/cd/ALEC_Exposed_in_Wisconsin.pdf

21. Beau Hodai, "Quid Pro Status Quo," PRwatch / DBA Press (May 10, 2012), available at http://www.prwatch.org/NODE/11498

22. John Celock, "ALEC Accountability Act in Arizona, Wisconsin Would Make Conservative Group Disclose Funding," http://www.huffingtonpost.com/2012/02/10/alec-accountability-act-arizona-wisconsin_n_1268714.html

23. Arizona House Bill 2665, available at http://www.azleg.gov/legtext/50leg/2r/bills/hb2665p.pdf

24. Beau Hodai, "ALEC Accountability Act Set For Introduction in Arizona'" DBA Press (Jan. 12, 2012), available at https://dbapress.com/archives/2414 * an abridged version of this article was published by In These Times and PRWatch, available at http://www.prwatch.org/node/11238

25. Wisconsin Assembly Bill 621, available at https://docs.legis.wisconsin.gov/2011/proposals/ab621 and http://www.prwatch.org/files/ALEC_accountability.pdf

26. Emily Osborne, "ALEC Accountability Act Introduced in Wisconsin," PRwatch,org (Feb 10, 2012), available at http://www.prwatch.org/NODE/11269.

Additional resources include:

D.B.A. Press, "ALEC Centralized Source Materials Archive" (published March, 2012), available at http://dbapress.com/source-materials-archive/alec-centralized-source-materials-directory

Beau Hodai, "Brownskins and Greenbacks: ALEC, the for-profit prison industry and Arizona's SB 1070," D.B.A. Press, (June 2010), available at http://dbapress.com/front-page/brownskins-and-greenbacks-alec-the-for-profit-prison-industry-and-arizonas-sb-1070 * a truncated version of this article was published by In These Times, available at http://www.inthesetimes.com/article/6084/corporate_con_game/

Beau Hodai, "Inside ALEC: Naked Contempt for the Press and Public in Scottsdale," PRwatch / D.B.A. Press, (Jan. 2012), available at https://dbapress.com/archives/2398

Lisa Graves and Nick Surgey, "Connecting the Dots between ALEC, Wal-Mart, the NRA, and the Florida Law Cited by Some to Immunize Trayvon Martin's Killer," ALECexposed (Mar. 23, 2012), http://www.alecexposed.org/wiki/ALEC_Castle_Doctrine

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Appendix 1: Summary of ALEC "Scholarships"

National Totals

2011*	$134,500.00	$48,204.55
2010*	$501,215.00**	$158,821.59
2009*	$1,000.00	$53,700.64
2008	$616,636.70	$593,653.67
2007	$609,445.10	$584,294.64
2006	$768,732.99	$633,957.06
	$2,631,529.79	**$2,072,632.15**

	YEAR	CREDIT	DEBIT
Alaska			
	2008	$500.00	0.00
	2007	0.00	0.00
	2006	0.00	0.00
		$500.00	**0.00**
Alabama			
	2008	0.00	0.00
	2007	0.00	$1,186.04
	2006	0.00	0.00
		0.00	**$1,186.04**
Arkansas			
	2008	$8,200.00	$9,164.84
	2007	$6,000.00	$5,393.16
	2006	$6,000.00	$3,838.39
		$20,200.00	**$18,396.39**
Arizona			
	2011	$4,500.00	$11,750.00
	2010	$93,640.00	$92,294.16
	2009	0.00	$20,509.10
	2008	$41,700.00	$48,914.86
	2007	$19,500.00	$27,338.52
	2006	$11,603.52	$3,664.20
		$170,943.52	**$204,470.84**
California			
	2008	$35,497.00	$45,087.70
	2007	$22,997.99	$48,154.98
	2006	$46,500.00	$33,956.81
		$104,994.99	**$127,199.49**
Colorado			
	2008	$14,400.00	$21,446.84
	2007	$29,930.86	$33,225.01
	2006	$50,200.00	$51,389.48
		$94,530.86	**$106,061.33**

*The public data available for 2009 to 2011 reflects money in from four or fewer states; the data from 2006 to 2008 reflects data from all 50 states.

** PhRMA sent $356,075 to Wisconsin in 2010, earmarked for the "ALEC Scholarship Fund," but ALEC later claimed only $2,500 was for Wisconsin. The distribution among other states is not known.

Appendix 1: Summary of ALEC "Scholarships"

Connecticut			
	2008	$22,000.00	$30,958.41
	2007	$29,000.00	$13,548.08
	2006	$28,500.00	$17,191.00
		$79,500.00	**$61,697.49**
Delaware			
	2008	0.00	$676.34
	2007	0.00	0.00
	2006	$1,000.00	0.00
		$1,000.00	**$676.34**
Florida			
	2008	$575.00	$295.25
	2007	$1,500.00	$4,020.83
	2006	$4,450.00	$8,662.52
		$6,525.00	**$12,978.60**
Georgia			
	2008	$26,500.00	$57,890.13
	2007	$44,000.23	$58,440.46
	2006	$61,000.00	$54,659.84
		$131,500.23	**$170,990.43**
Hawaii			
	2008	0.00	0.00
	2007	0.00	0.00
	2006	0.00	0.00
		0.00	**0.00**
Iowa			
	2008	$2,000.00	$2,434.05
	2007	$1,500.00	$2,950.05
	2006	$1,500.00	$0.00
		$5,000.00	**$5,384.10**
Idaho			
	2008	$500.00	0.00
	2007	0.00	0.00
	2006	$1,000.00	$981.17
		$1,500.00	**$981.17**
Illinois			
	2008	$35,831.00	$17,052.40
	2007	$3,500.00	$1,188.93
	2006	$16,200.00	$8,700.29
		$55,531.00	**$26,941.62**
Indiana			
	2008	0.00	$1,539.36
	2007	$1,500.00	$2,495.11
	2006	$2,000.00	$805.92
		$3,500.00	**$4,840.39**
Kansas			
	2008	$16,000.00	$14,185.01
	2007	$14,000.00	$11,477.74
	2006	$33,050.00	$12,639.07
		$63,050.00	**$38,301.82**

Appendix 1: Summary of ALEC "Scholarships"

Kentucky			
	2008	$1,000.00	$3,846.45
	2007	0.00	0.00
	2006	0.00	0.00
		$1,000.00	**$3,846.45**
Louisiana			
	2008	$7,500.00	$4,482.00
	2007	$4,500.00	$4,766.25
	2006	$16,200.00	$9,953.97
		$28,200.00	**$19,202.22**
Massachusetts			
	2008	0.00	0.00
	2007	0.00	0.00
	2006	0.00	0.00
		0.00	**0.00**
Maryland			
	2008	$4,000.00	$3,535.01
	2007	$2,400.00	$4,184.56
	2006	$2,000.00	$1,731.83
		$8,400.00	**$9,451.40**
Maine			
	2008	$8,500.00	$8,723.55
	2007	$17,750.00	$15,378.85
	2006	0.00	$2,351.25
		$26,250.00	**$26,453.65**
Michigan			
	2008	$14,000.00	$10,481.25
	2007	$6,000.00	$7,338.76
	2006	$6,000.00	$943.23
		$26,000.00	**$18,763.24**
Minnesota			
	2008	0.00	0.00
	2007	0.00	0.00
	2006	$743.90	0.00
		$743.90	**0.00**
Missouri			
	2008	$6,150.00	$8,403.08
	2007	$12,228.20	$10,487.36
	2006	$11,850.00	$12,747.33
		$30,228.20	**$31,637.77**
Mississippi			
	2008	$66,716.76	$52,293.36
	2007	$69,330.81	$36,303.43
	2006	$81,476.12	$68,561.64
		$217,523.69	**$157,158.43**
Montana			
	2008	$2,500.00	$14,514.41
	2007	$5,000.00	$18,906.13
	2006	$14,500.00	$2,007.17
		$22,000.00	**$35,427.71**

Appendix 1: Summary of ALEC "Scholarships"

North Carolina			
	2008	$2,500.00	$3,791.97
	2007	$1,000.00	$10,344.44
	2006	$1,842.08	$13,810.56
		$5,342.08	**$27,946.97**
North Dakota			
	2008	$7,500.00	$10,865.22
	2007	$11,200.00	$4,646.08
	2006	$7,000.00	$6,493.03
		$25,700.00	**$22,004.33**
Nebraska			
	2008	$2,250.00	$8,684.32
	2007	$42,305.81	$10,978.51
	2006	$6,000.00	$7,550.92
		$50,555.81	**$27,213.75**
New Hampshire			
	2008	$9,425.00	$3,979.27
	2007	$3,600.00	$869.00
	2006	$6,000.00	$9,364.68
		$19,025.00	**$14,212.95**
New Jersey			
	2008	0.00	0.00
	2007	0.00	0.00
	2006	0.00	0.00
		0.00	**0.00**
New Mexico			
	2008	$3,500.00	$7,956.77
	2007	$8,000.00	$3,897.59
	2006	$4,000.00	$2,014.72
		$15,500.00	**$13,869.08**
Nevada			
	2008	$2,500.00	$2,120.59
	2007	$1,000.00	$2,457.38
	2006	0.00	$1,500.00
		$3,500.00	**$6,077.97**
New York			
	2008	0.00	0.00
	2007	0.00	0.00
	2006	0.00	$2,978.36
		0.00	**$2,978.36**
Ohio			
	2011	$130,000.00	$36,454.55
	2010	$23,800.00	$48,563.62
	2009	$1,000.00	$23,145.01
	2008	$30,000.00	$18,189.69
	2007	$38,550.00	$14,900.90
	2006	$34,650.00	$42,133.31
		$257,000.00	**$183,387.08**

Appendix 1: Summary of ALEC "Scholarships"

Oklahoma

2008	$17,955.00	$18,028.23
2007	$22,392.50	$41,508.69
2006	$48,200.00	$44,627.77
	$88,547.50	**$104,164.69**

Oregon

2008	$3,750.00	$500.00
2007	$1,950.00	$2,400.00
2006	$4,300.00	$5,213.25
	$10,000.00	**$8,113.25**

Pennsylvania

2008	$1,000.00	0.00
2007	0.00	0.00
2006	$1,000.00	0.00
	$2,000.00	**0.00**

Rhode Island

2008	$1,000.00	0.00
2007	$1,000.00	0.00
2006	$1,700.00	0.00
	$3,700.00	**0.00**

South Carolina

2008	$58,800.00	$47,397.87
2007	$51,900.00	$64,194.77
2006	$85,700.00	$88,973.06
	$196,400.00	**$200,565.70**

South Dakota

2008	$11,250.00	$3,988.66
2007	$11,250.00	$2,979.03
2006	$23,441.00	$7,802.27
	$45,941.00	**$14,769.96**

Tennessee

2008	$15,750.00	$235.10
2007	$9,500.00	$7,254.64
2006	$15,437.82	$3,926.82
	$40,687.82	**$11,416.56**

Texas

2008	$4,000.00	$4,186.44
2007	$2,750.00	0.00
2006	$4,000.00	$1,524.27
	$10,750.00	**$5,710.71**

Utah

2008	0.00	0.00
2007	$5,000.00	0.00
2006	0.00	0.00
	$5,000.00	**0.00**

Virginia

2008	$21,500.00	$13,156.04
2007	$18,026.00	$19,858.91
2006	$18,729.47	$11,272.75
	$58,255.47	**$44,287.70**

Appendix 1: Summary of ALEC "Scholarships"

Vermont			
	2008	0.00	$1,798.48
	2007	0.00	$4,839.35
	2006	$2,250.00	$3,455.93
		$2,250.00	**$10,093.76**
Washington			
	2008	$10,875.00	$9,762.26
	2007	$8,200.00	$15,460.05
	2006	$19,100.00	$10,303.53
		$38,175.00	**$35,525.84**
Wisconsin			
	2010	$30,200.00	$17,963.81
	2009	0.00	$10,046.53
	2008	$48,000.00	$39,193.57
	2007	$33,000.00	$33,428.21
	2006	$50,000.00	$44,078.05
		$161,200.00	**$144,710.17**
West Virginia			
	2008	0.00	$1,785.83
	2007	$1,500.00	0.00
	2006	$2,000.00	0.00
		$3,500.00	**$1,785.83**
Wyoming			
	2008	$51,011.94	$42,109.06
	2007	$46,682.70	$39,110.84
	2006	$37,609.08	$30,530.67
		$135,303.72	**$111,750.57**