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AT&T, others made big donations, got action in Illinois General Assembly

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SPRINGFIELD, Ill. • As a federal jury ponders ex-Gov. Rod Blagojevich's fate for allegedly seeking campaign money in exchange for official action, consider some of what happened in Springfield the past 18 months:

- AT&T asked the Legislature to ease telecom regulations so it could more easily compete in the exploding wireless market. The bill, though controversial among consumer advocates, was approved without a single "no" vote from state elected officials — who, collectively, have received more than a half-million dollars in campaign donations from the company since January 2009.
- The Legislature passed a measure amending the state's new video-gaming law to allow truck stops to offer video poker 24 hours a day, infuriating anti-gambling activists who say it amounts to a massive expansion of gambling. On the winning side of the argument was the coin-machine operators industry and its more than \$70,000 in campaign contributions.
- A Metro East developer won a special tax break from the Legislature to build a commercial development in Southern Illinois, despite critics who insisted it would drain money from state and local coffers. The developer made \$20,000 in state political contributions during the debate, including donations to the two Metro East legislators who initially spearheaded the effort in Springfield.

None of it is illegal or even unusual in Illinois, where laws covering everything from where you can gamble to when you can buy a car have been influenced by the state's unusual no-limit campaign system over the years.

"The Blagojevich issue had to do with the governor actively going out and (allegedly) shaking the bushes" for campaign donations in exchange for his approval of state legislation or funding, noted Cynthia Canary, director of the Chicago-based Illinois Campaign for Political Reform.

While it's seldom so blatant, she said, "The current campaign finance system set up almost a legal form of bribery. We all know that money talks."

Canary and other reform advocates are hoping that the state's first-ever campaign donation limits next year will slow the money spigot.

The AT&T legislation relaxes state rules on the company regarding its maintenance of basic land-line phone service, essentially allowing it to focus more fully on its wireless business. The bill also gave the company more flexibility in changing the packages it offers to customers without awaiting regulatory approval.

The company presented the measure as crucial to the unfettered advancement of the wireless market. Critics worried that land-line users and others would see a reduction in service from the company, and safeguards were negotiated into the bill with the consumer organization Citizens Utility Board and others. Gov. Pat Quinn signed it into law June 15.

CUB Executive Director David Kolata says his group is still worried that land-lines users, rural customers and others may end up left behind as a result of the legislation. He stopped short of blaming AT&T's heavy campaign donations for the company's success at getting most of what it wanted from the legislation, but he noted: "Those of us who had concerns about the bill really had no money on our side."

AT&T gave about \$594,000 to state-level Illinois politicians from Jan. 1, 2009, through June 30, 2010, according to the most recent data compiled by Kent Redfield, a political scientist and campaign finance expert with the University of Illinois at Springfield. That puts the company among an elite core of high-powered donors — including Ameren, ComEd, the Illinois State Medical Society several major unions — who gave more than \$500,000 during that time.

They are companies and entities that virtually always have the Legislature's ear.

"Is there money in policy? Absolutely. Is there a line somewhere this side of Blagojevich that usually isn't crossed? Yes," says Redfield. "It's a complicated relationship ... there's no (way to allege) a quid pro quo ... absent a tape recording."

Federal tape recordings were exactly what it took to charge Blagojevich with corruption, charges the jury in Chicago continues to deliberate. Among the allegations is that Blagojevich tried to extort large political donations in exchange for signing a bill friendly to the horseracing industry and releasing scheduled state funding to a children's hospital.

Putting such conditions on campaign contributions is illegal, but the surrounding circumstances — getting the money and taking official actions that help the donors — aren't against the law in Illinois.

Canary, of the Campaign for Political Reform, noted that with the AT&T bill, as with most legislation being lobbied by big donors, there's no allegation that the legislative action is the specific result of the money being donated.

"But it's very hard to ignore the fact that half a million dollars is on the table when you're trying to decide the best course in public policy," she said.

AT&T, through a spokesman, declined to comment.

Lawmakers who receive significant money from donors, while helping usher their bills through Springfield, invariably maintain the support is a matter of shared goals, not a quid pro quo.

"They've been supportive of me for the last three or four terms," state Rep. Kevin McCarthy, D-Orland Park, said of AT&T, which has given him more than \$10,000 since 2006. McCarthy was the chief House sponsor of the telecom bill.

"I'm a pro-business Democrat," he said. "I think it was a great bill for the people of our state. I appreciate their support."

At the smaller end of the money spectrum was this year's debate over STAR, or state tax revenue, bonds. Swansea developer Bruce Holland wanted to build a major commercial hub at Glen Carbon, and pushed the Legislature for a bill that would essentially give back much of the state sales tax revenue from the development to pay for its infrastructure.

Critics derided it as a giveaway. It passed the Legislature anyway — twice — with the project ultimately relocating to Marion due to local opposition in the Metro East.

The developers pumped some \$20,000 in political donations into the system since the start of 2009, according to a Post-Dispatch review of campaign records. Among their top recipients were state Sen. James Clayborne, who got \$4,400 from the developers in the past 18 months, and state Rep. Tom Holbrook, who got \$2,600. The two Democrats from Belleville were the main champions of the attempt to bring the development to the Metro East.

"That's maybe a couple percent of what I raise," Holbrook said. "Bruce Holland has been a supporter of mine over the years ... because he supports economic development ... I don't think there was anything out of line."

Clayborne and a spokesperson for Holland couldn't be reached for comment Friday.