

FRANKLIN CENTER NEWS

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Watchdog investigation brings justice for Wisconsin conservatives targeted in John Doe probe

BY ANDREW COLLINS AND MEGAN RITTER
WATCHDOG.ORG

It was nearly three years in coming, but justice finally prevailed in Wisconsin. The state Supreme Court has shut down a years-long politically motivated investigation, widely regarded as a witch hunt, targeting supporters of Governor Scott Walker and his landmark budget reforms.

Over the course of two harrowing years Wisconsin Watchdog bureau chief Matt Kittle produced more than 200 news stories exposing this injustice. Matt's groundbreaking investigative reporting chronicles the egregious civil rights abuses inflicted by Milwaukee County's Democrat district attorney and his shadowy John Doe investigation against Governor Walker, his political supporters, and dozens of conservative groups.

Under Wisconsin's unique John Doe procedure, a single judge vested with extraordinary power to compel witnesses to testify presides over secret investigations. Targets and witnesses can go to jail for saying anything about the John Doe inquiry to anyone other than their attorneys. Several targets in this probe risked their freedom to tell their stories to Wisconsin Watchdog and make the investigation possible.

The ordeal goes back to May of 2010, when the Milwaukee County D.A. began investigating reports that money may have been stolen from a veterans' fund in the Milwaukee County Executive's office. Scott Walker was a county executive at the time, so democratic District Attorney John Chisholm used the discrepancy to launch a John Doe probe targeting

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“Was there any alternative news outlet that embarrassed the mainstream media more than Wisconsin Watchdog?”

Reporter Matt Kittle broke so many important stories on the John Doe, and most importantly he worked to tell a story that was not even considered by legacy media outlets. He shined a light on the real scandal: the prosecutorial abuse and the violation of the civil rights.”

—RightWisconsin.com

a vast swath of Walker aides, allies, and associates in his gubernatorial campaign. Even though Chisholm found nothing substantial beyond the financial discrepancy (which Walker reported himself anyway), the targeting would continue for five years.

“Wisconsin Watchdog first began hearing chatter about a possible probe into conservative groups in late September 2013,” says Kittle. “There was something big going down involving abuse of prosecutorial power, sources told us.” By late October, Wisconsin Watchdog had confirmed that the probe was targeting a number of conservative 501(c)(4) groups. The investigations were secret, however, and no one in official circles would confirm the existence of a John Doe. Many of those believed to be prosecuting the John Doe would not even return phone calls.

“At times it seemed almost impenetrable,” Kittle said. “One source would only meet at a fast-food restaurant 35 miles from his home. He would not talk on the phone.”

These sources had a lot to lose — they could have faced jail time for speaking in violation of the John Doe gag order — but they decided to trust Kittle, and that’s when the breakthrough happened. Wisconsin Watchdog reported on their accounts with the headline: “Sources: Secret probe targeting conservatives is abuse of prosecutorial powers.”

“This is not a question of what conservatives did wrong,” one source said in the report. “It’s a question of one party in this state using prosecutorial powers to conduct a one-sided investigation into conservatives.”

WATCHDOG'S REPORTING MADE AN IMPACT IN WISCONSIN'S SECRET WAR



226
Watchdog Stories Written



241
Media Placements



41
Watchdog Mentions in other Media



80
Radio Interviews



4
National Cable TV Appearances

WISCONSIN'S **SECRET** WAR

Soon news of the probe began garnering national attention. TheBlaze aired a feature segment on “For the Record,” which covered the D.A.’s investigation into conservative groups from the beginning, and drew directly from Wisconsin Watchdog’s extensive investigation. After a critical ruling by a judge quashed subpoenas into conservative groups, *The Wall Street Journal* editorial board broke a piece featuring previously unpublished, sealed court documents. *National Review* would also begin covering the probe.

The stories of those targeted in the John Doe probe are harrowing. We heard

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SPORTS CARS FOR EVERYONE!

The story behind failed SBA 'luxury loans'

BY ERIK TELFORD | JULY 17, 2015
WASHINGTON, D.C.

The federal Small Business Administration's mission statement says the agency was created "to aid, counsel, assist and protect the interests of small business concerns, to preserve free competitive enterprise and to maintain and strengthen the overall economy of our nation."

So it's disheartening to read Watchdog.org reporter Art Kane's "Luxury Loan" series.

Kane's months-long investigation turned up evidence of massive government waste in the SBA.

Working with the government-accountability nonprofit Open the Books, Kane found that the Small Business Administration has guaranteed nearly \$8.7 billion in failed loans.

Many of the SBA's loans, Kane concluded, went to questionable recipients. Over the past six years, for example, while the feds fight alcohol consumption and tobacco with one agency, SBA sent \$140 million in loans to finance bars, liquor stores and cigarette shops. Other loans charged off as uncollectable by SBA lenders included companies catering to the very wealthy: \$25 million for country

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clubs, about \$21 million for boat dealers, and \$4.5 million for wineries.

My personal favorite from Kane's Watchdog series: The Small Business Administration recently got into the Lamborghini business not once, but twice — and failed in both.

National Taxpayer Union president Pete Sepp summarized the loan scandal this way: "These are loans the private sector wouldn't make, so how is it a good idea to have taxpayers backing them when they don't have the ability to say no to financing these loans?"

The SBA's problematic loans should come as no surprise to the agency's officials — though one tried to shut down the investigation by threatening legal action if Watchdog published a photo of the agency's logo. The agency's internal documents show the Government Accountability Office and the SBA's own Inspector General worry about the lack of oversight of the private lenders that distribute funds guaranteed by taxpayers, as well as a lack of outcome-based performance measures for loans.

Watchdog's core mission is exposing government waste, fraud, and abuse, with dozens of investigative reporters working each day to hold government accountable at all levels. Kane's work was made easier by his partnership with Open the Books, an ambitious Illinois-based nonprofit established to capture

and publish financial information about every government transaction — and to do that in real time.

Kane and other Watchdog reporters worked closely with Open the Books' database, leveraging it to produce a series of exposés, radio appearances and a spot on Forbes.com.

"As important as we think Art's SBA series is, it's based on just a fraction of the Open the Books database," said Will Swaim, editor of Watchdog.org. "Imagine hundreds of reporters and citizen journalists unleashed on the rest of the Open the Books database. It's like turning the tools of the federal intelligence services on the government itself."

As anybody ever forced to fight an open records request can tell you, the job of holding government accountable is no easy one. Despite claims of unprecedented transparency from government officials, there are still substantial barriers to information about the activities of government and how officials spend our tax dollars. ■

Erik Telford is president of the Franklin Center, the parent organization of Watchdog.org.

"It's a big part of Watchdog's job to get government officials to spell out how much these regulations will cost and let readers decide if those costs equal the supposed benefits."



DONOR SPOTLIGHT

"A free people is a more prosperous people."

DICK HEDAHL Bismarck, North Dakota

Dick Hedahl's family business — an auto parts distribution company based in North Dakota — retains the pioneering spirit of those who settled the western prairies.

Dick's grandfather, Ed Hedahl, started the family business over a century ago as a hardware store that also sold Ford and then Durant automobiles. When the Durant company failed, Ed was left with spare parts and used cars — and got innovative, building an auto parts wholesaling business, selling out of a van that traveled across southwestern North Dakota.

Never was the pioneer spirit more on display, though, than during World War II. Dick's grandfather passed away in 1942, while his sons, including Dick's father Neil, were off at war. Ed's daughter Beulah was in college, and in letters back and forth with her older brother Erling, the family tried to decide whether to liquidate the company.

Instead, Beulah recommended the company was worth keeping and took time off from her studies and ran the company until her brothers returned from the war — using her initials so that auto parts customers didn't know up front that they were dealing with a young woman. The business thrived, opening their first branch store in 1950.

Dick worked for the company even in his youth. After college he created the equipment division and learned the business from the bottom up, doing whatever was needed. He became president in 1986.

Today, Hedahls Auto Plus boasts 26 auto parts and equipment stores in North and South Dakota, Minnesota, and Montana, employing over two hundred people.

Now, instead of the challenges the Hedahls once faced while fighting a war half a world away, they face new challenges as "politicians and bureaucrats think they know what is best."

"As a business person," Dick says, "our natural inclination is to want to be left alone. Don't prevent me from doing what I think is best for my company and my people."

He identifies our nation's greatest challenge as "...the constant erosion of liberty from the feds taking freedom and choices away from individuals, from the states, and from local government — the concentration of power and control in the federal government and Washington bureaucrats."

"The biggest problem," he explains, "is that bureaucracies want to preserve themselves, to justify their existence, to meddle in things they do not need to. Their natural inclination is self-



Dick Hedahl

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MEET OUR SUMMER JOURNALISM INTERNS

Each summer, we welcome a group of aspiring young investigative reporters into our Journalism Internship Program. This year, we were pleased to host five bright, curious students, who spent the summer working alongside our reporters on a range of challenging research, writing, and editing assignments.

The greatest challenge we face in building our journalism network is finding talented reporters with a Watchdog mindset and a healthy suspicion toward elected officials and government programs. The Journalism Internship Program is critical in helping us identify promising young writers to fill our ranks. We — and these five gifted students — are grateful for your support that made their work this summer possible. We talked to each of them at the beginning of the summer to find out why they want to be journalists and what they hoped to get out of our internship program.



EMMA LAMBERTSON

Emma Lambertson is a current Writing undergrad at Geneva College in Pennsylvania. Raised in Vermont, Emma is interning with Watchdog.org to report on her native state.

Why Journalism? “Apathy is the plague of our time. Through journalism, I hope to combat this comfortable mindset and rouse citizens to involvement. The voice of the people is powerful, and governmental reform will only happen when aware, well-informed, and restorative citizens make their voices heard.”

Why Franklin Center?

“The Franklin Center provides the valuable opportunity for investigative reporting. Though I have worked with other news outlets, there is a surprising lack of interest in digging out stories or working to hold government accountable. I hope to gain the ability to report on controversial topics in ways that emphasize truth and concern for tax-payer dollars.”



NICK XAVIER

Nick Xavier is a graduate of Syracuse University, where he earned a degree in Broadcast

& Digital Journalism. At SU, he founded a chapter of Young Americans for Liberty and wrote for the school newspaper. He was born and raised in New York, and is a Lieutenant in the Army Reserves.

Why Journalism? “I chose this career path because I truly believe that principled journalism is the single most effective tool against government corruption, and essential to the health of our democracy.”

Why Franklin Center?

“I admire the work of the Franklin Center because it is

preserving the most important function of our free press, which is to act as a fourth estate and keep in check those in power. I think that this internship is an ideal opportunity for me to fulfill that role, and that the experience and guidance I will receive will help me live up to my goal of being an investigative journalist.”

STEVE AMBROSE

Steve Ambrose was born and raised in Roanoke, Va.

He attended school at the University of Tennessee and James Madison University. Steve has interned at various organizations in Washington, D.C. and now is an upcoming second year law student at Stetson University College of Law in Gulfport, Fla.

Why Journalism? “Traditionally, the media has been a noble profession that held powerful corporate and governmental institutions accountable. Journalism is a career field that finds inherent value in the truth and provides an opportunity to turn a passive society, into a society of activists.”

Why Franklin Center? “It is my hope that I learn the necessary skills that will jumpstart my potential career in journalism. I am in the midst of a career change, and while some of my experience can translate, there are nuances I can only gain from being directly involved with journalism. The Franklin Center will provide me with some of those nuances, writing experience, in addition to a mentor to help guide me along my new path.”

GRAYSON QUAY

Grayson is a rising senior English major at Grove City College and

has served as editor of the Entertainment and News sections of his school’s newspaper, The Collegian. Grayson enjoys reading, writing, and film.

Why Journalism? A career in journalism appeals to me because it is journalists who have the responsibility of keeping the public informed so that they can make better decisions as citizens. I hope that this internship will help me to better communicate those essential pieces of information.



SARAH CHAVEY

Sarah is a rising junior at Hillsdale

College studying music, journalism, and business administration. She is a reporter for the campus newspaper and works in several areas of campus including admissions, food service management, and music. Originally from Ann Arbor Mich., she hopes to pursue journalism after graduation.

Why Journalism? “I believe that journalism profoundly affects society, and I love providing people with knowledge that informs their life.

Why Franklin Center?

“I admire the mission of the Franklin Center and want to be surrounded by people who actively fight to provide society with relevant, honest information. I look forward to honing my skills as an investigative journalist, and hope to learn from the expertise of the Franklin Center staff.” ●



THE REST OF THE STORY

Watchdog's Victory in Maine

An investigation from our earliest days bears fruit

Our Watchdog reporters have written many stories over the years that triggered real-world results, but sometimes the impact of our work to hold government accountable isn't seen right away.

This summer, five years after we uncovered Representative Chellie Pingree of Maine's "do as I say, not as I do" hypocrisy, the Federal Election Commission has finally taken action.

During her campaign for office, Pingree had complained of politicians using private corporate jets but, once elected, she did exactly the same thing.

Now, five years later, the Federal Election Commission has finally ordered Pingree to pay the costs of those private flights

and slapped her with a \$23,000 fine for violating the very campaign finance laws she sought to strengthen.

Over the last five years, we've written stories that triggered immediate action. At other times, like in this case, results have come slower, reminding us that even though the fight to keep government accountable is often a long, arduous process, in the end it is worth the effort.

We're proud to share with you this story from the Franklin Center's earliest days. Thank you for standing with us through both the wins that come quickly and the results that take longer to produce.

BY STEPHAN BURKLIN

This story originally appeared at Watchdog.org on September 23, 2010.

As the President of Common Cause, a non-profit citizens' lobbying group, Representative Chellie Pingree criticized lawmakers who traveled on corporate jets.

But Rep. Pingree is engaging in the same activity she derided four years ago.

An investigation by MaineWatchdog found that Pingree has been traveling on a private plane owned by the corporation of her significant other, Donald Sussman, Founder and Chairman of Paloma Partners, a billion dollar hedge fund.

When AOL reported in late July that Pingree's office was reimbursed for more travel expenses* than any other house member in 2009, MaineWatchdog asked whether any of those reimbursements were related to travel on private planes. A spokesman for Pingree said: "To my knowledge, the Congresswoman does not fly on privately chartered jets."

The investigation, however, produced a video of Representative Pingree and Sussman disembarking at Portland International Jetport after a flight from Bridgeport, Conn., on September 17, 2010.

Pingree and Sussman landed in Portland at 1:26 p.m., at which point a red carpet was rolled out for them on the non-commercial apron.

A snapshot of the couple driving off confirms that Pingree was on board.

Prior to her election in 2008, Pingree was an outspoken critic of congressional members who flew on corporate jets.

According to written remarks delivered before the Subcommittee on the Constitution in 2006, Pingree said:

Most Americans never have and never will fly on a chartered jet, much less a fancy corporate jet complete with wet bar and leather couches. So when members of Congress constantly fly around on corporate jets and pay only the cost of a commercial ticket, it contributes to the corrosive public perception that members of Congress are more

like the fat cats of Wall Street than they are like the rest of us.

In the aftermath of the Abramoff scandal, Pingree lobbied for a tough ethics-reform law that would have, among other things, completely banned privately funded travel. When a weaker bill was introduced, Pingree called the drafted bill “window dressing.”

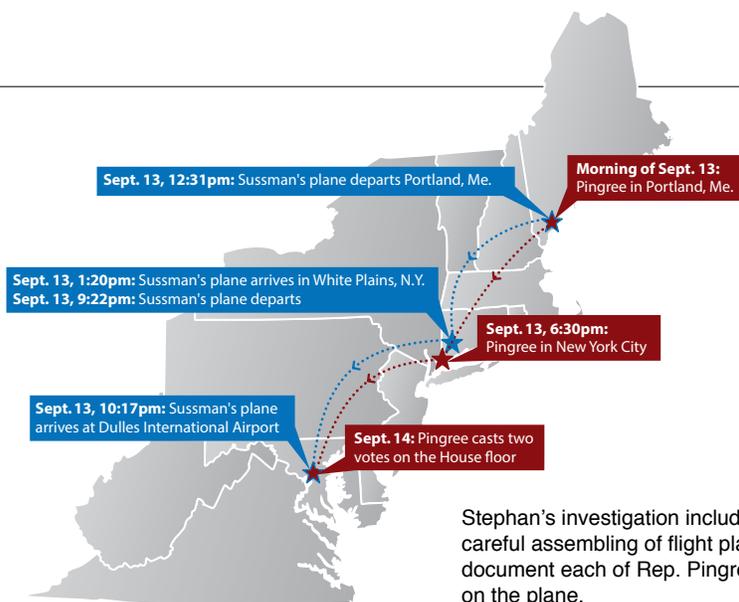
It is not clear whether Pingree’s use of Sussman’s aircraft was limited to the incident on September 17.

Flight logs of Sussman’s plane obtained by MaineWatchdog indicate that Pingree may have used the aircraft on several other occasions.

In several instances, Pingree’s trips between Maine and Washington, D.C. closely track the movement of Sussman’s plane.

MaineWatchdog uncovered the following facts:

- On the morning of September 13, Representative Pingree visited Presumpscot Elementary School in Portland.
- According to flight logs, Sussman’s plane took off from Portland International Jetport at 12:31 in the afternoon. Forty-nine minutes later, at 1:20, it landed an hour’s drive north of New York City at Westchester County Airport in White Plains, N.Y.
- At 6:30 p.m., two prominent New York theater producers threw a house party to raise money for Pingree at their home in the Upper East End. The party was scheduled to end at 8:00 p.m.



Stephan’s investigation included a careful assembling of flight plans to document each of Rep. Pingree’s trips on the plane.

- At 9:22 p.m., Sussman’s plane lifted off again at Westchester County Airport in White Plains. It landed at Dulles International Airport an hour outside of Washington, D.C., at 10:17 p.m.
- The next day, Sept. 14, Pingree cast two votes (HR 1571 and HR 1052) in the evening on the House floor in Washington.
- There are other similar cases where Pingree’s movement parallels that of Sussman’s plane. MaineWatchdog compared Pingree’s voting record to the movement of Sussman’s plane.
- On July 24, Pingree was in Brunswick with Gov. Baldacci to celebrate Kestrel Aviation’s move to Maine.
- On July 26, Sussman’s plane left Knox County Regional Airport in Rockland, the closest airport to Pingree’s home in North Haven, at 12:51 pm. Pingree was on the House floor at around 6:30 to vote on HR 1320. She also appeared on Hardball with Chris Matthews that afternoon.
- She was in Washington for votes on July 27, 28, and 29.
- On July 30, Pingree was on the House floor. The last vote of the day was at around 6:30 p.m. At 7:39, Sussman’s plane left Washington, D.C. for Rockland, Maine.
- On August 6th, Pingree attended the Maine Lobster Fest Parade in Rockland.
- On August 9, Sussman’s plane departed Rockland for D.C. at 2:33 pm. The next day, Pingree was present in the Oval Office when President Obama signed the \$26 billion aid package for states. Sussman’s plane departed D.C. on August 10 at 7:16 pm and returned to Rockland.

At the time this article was released, Maine Watchdog was waiting for Pingree’s office to provide receipts for all commercial flights that the Congresswoman booked over the last several months. ●

Stephan Burkin was a journalist with Watchdog and is currently a MSc candidate at the London School of Economics.

accounts of law enforcement engaged in predawn, paramilitary-style raids at the homes of citizens who found themselves treated like drug dealers and gang bangers for alleged campaign finance crimes. Children were locked in rooms while agents rooted through the family's possessions, and targets were told that they could not contact their attorneys during the broad searches and seizures. A prosecutorial spying operation grabbed digital data from ISPs of untold numbers conservative citizens, some who had no idea they are or were targeted in the investigation.

This kind of thing should never happen in our country, and the Franklin Center's Watchdog reporters put everything on the line to stop it.

Multiple courts have ruled the prosecutors did not have probable cause for launching the investigation. But finally the Wisconsin Supreme Court shut the investigation down for good, declaring that "the special prosecutor's legal theory is unsupported in either reason or law," and was motivated by a naked attempt to "investigate citizens who were wholly innocent of any wrongdoing."

Wisconsin Watchdog's exposure of the investigation, its tactics, and its politically-motivated origins provided the John Doe plaintiffs with the ammunition they needed to make their case and get the investigation shut down. Multiple courts on the way to the Supreme Court's decision have cited Wisconsin Watchdog stories as they issued opinions to suspend the investigation and chastise prosecutors.

"The case cannot be appealed further to the Supreme Court on its merits because



When the mainstream media picked up on his extensive investigation, Matt Kittle fielded their interviews.

it is a state court ruling on a state law", said Rick Esenberg, president and general counsel at the Wisconsin Institute for Law and Liberty. John Doe prosecutors could appeal on the grounds that Wisconsin could not ethically and constitutionally rule on the case, but Esenberg says that is unlikely.

At long last, then, it appears the final nail has been pounded into John Doe's coffin. "Wisconsin's Secret War" is over.

The Franklin Center is proud to have been able to work with such courageous people to tell their stories and help them seek justice. But while we can take great pride in this victory, we know it's only a matter of time until the next free speech battle. When that time comes, the Watchdog team has the experience and the expertise to prevail — provided citizens stand with us to make sure we are ready to fight again. ●

Andrew Collins is manager of digital marketing and Megan Ritter serves as grants manager for the Franklin Center.

"We called for [the mainstream media] to get off their collective rear ends and do some of the work that you guys at Wisconsin Watchdog have been doing the last two years. And thank God for that otherwise we would have next to no information to share with my constituents who funded that agency and to expect an agency to operate within the bounds of the law and the United States Constitution. You guys are to be applauded for doing that and being as tenacious as you have been." —Wisconsin State Rep. David Craig

preservation..., and they end up being a non-productive drain on society.”

“For real prosperity,” he concludes, “we need to get rid of over-burdensome regulations that are stifling the economy. If the free market is allowed to work, it will create prosperity for everyone.”

A supporter of the Franklin Center since 2013, Dick first became involved with us through the work of our North Dakota bureau chief, Rob Port. A veteran journalist and policy thinker, Rob is the founder of Say Anything Blog, North Dakota’s most influential and popular political blog. Dick praises Rob’s work for its “strong common sense language. We think alike.”

Through his involvement with the Franklin Center, Dick hopes to “help to educate and inform the public about the benefits of liberty — a free people

is a more prosperous people.” He is also deeply involved with organizations that make his community a better place to live and work, including the Bismarck-Mandan Chamber of Commerce, Greater North Dakota Chamber of Commerce, Sanford Medical Center and Bismarck Industries, an investment company that seeks to bring new businesses and new jobs to the community.

The Franklin Center is proud and grateful to include civic-minded, freedom-loving business leaders like Dick Hedahl among our supporters. ●

“For real prosperity, we need to get rid of over-burdensome regulations that are stifling the economy.”

How to join the **SILENCE DOGOOD LEGACY SOCIETY**

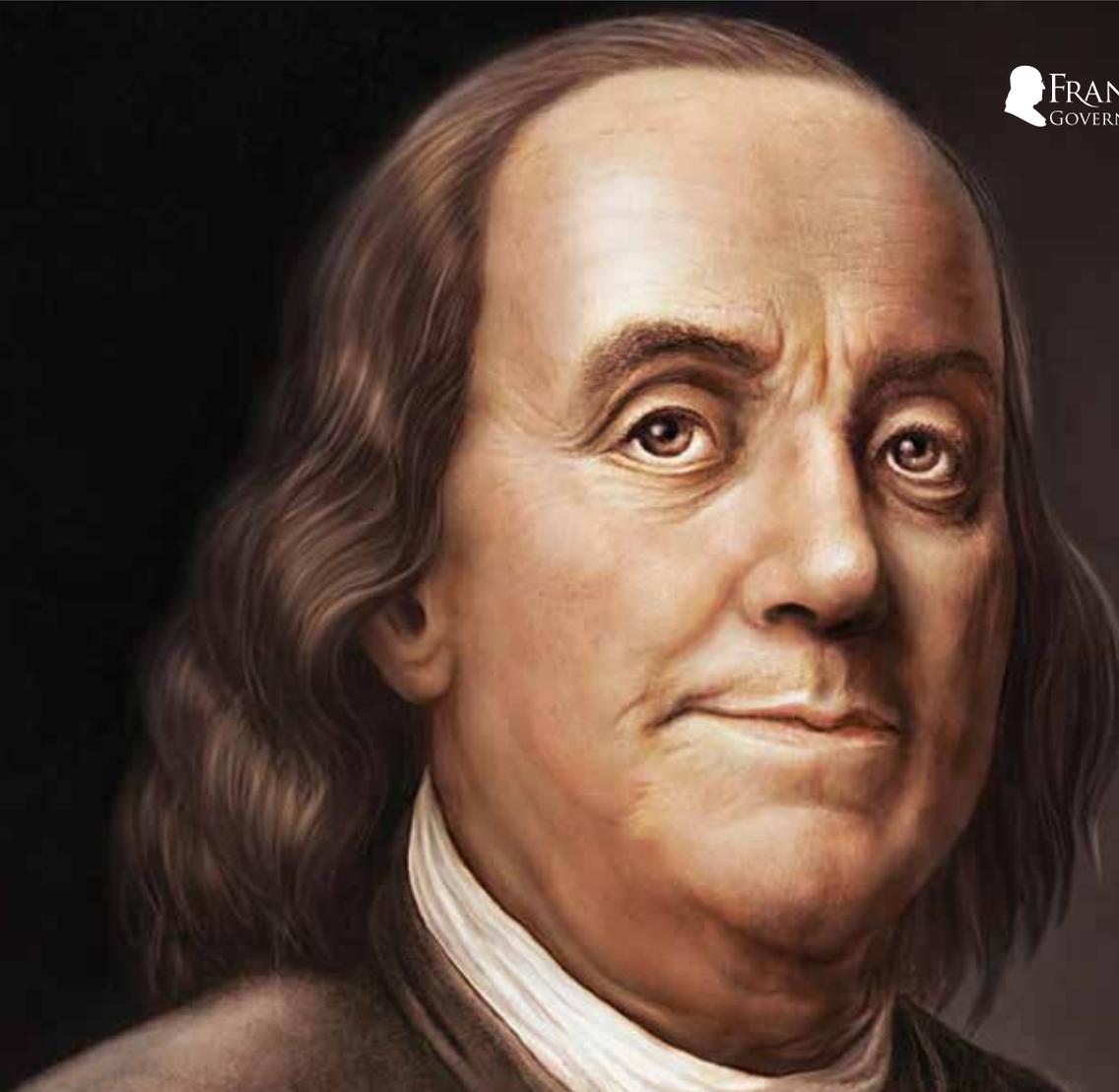
Our mission is to lay a foundation for long-term change in our culture and government. Across the country, those who would seek to abuse the powers of their offices or line their pockets with taxpayer dollars know that we are watching them. Now, we’re inviting you to help ensure we always are, becoming a member of the Silence Dogood Legacy Society and including the Franklin Center in your estate planning.

As a member of the Silence Dogood Legacy Society, you’ll receive exclusive access to Franklin Center content, including quarterly confidential investor updates and quarterly calls with Franklin

Center board members and reporters working on key issues in your state and across the country.

If you’ve already included the Franklin Center in your estate planning, we’ll be pleased to have you join the Silence Dogood Legacy Society right away. If you’re interested in more information, we’re happy to work with you on exploring your options. In either case, please contact Megan Ritter at 571-384-2091 or megan.ritter@franklincenterhq.org.

Thank you for your continued support.



WE'RE ON A MISSION FROM BEN

The Franklin Center supports investigative journalists, both professional and citizen, who seek to advance transparency, accountability, and fiscal responsibility in government, with a strategic perspective that emphasizes how those issues begin at the state and local levels. We seek ultimately to democratize the media and change how people expect to receive information about their government.

For more great stories, visit Watchdog.org